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West Sacramento Triangle

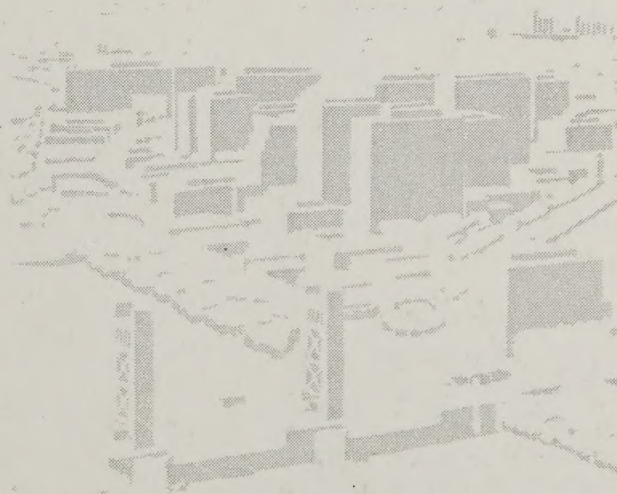
A Specific Plan for The Development of Downtown West Sacramento

Technical Appendix

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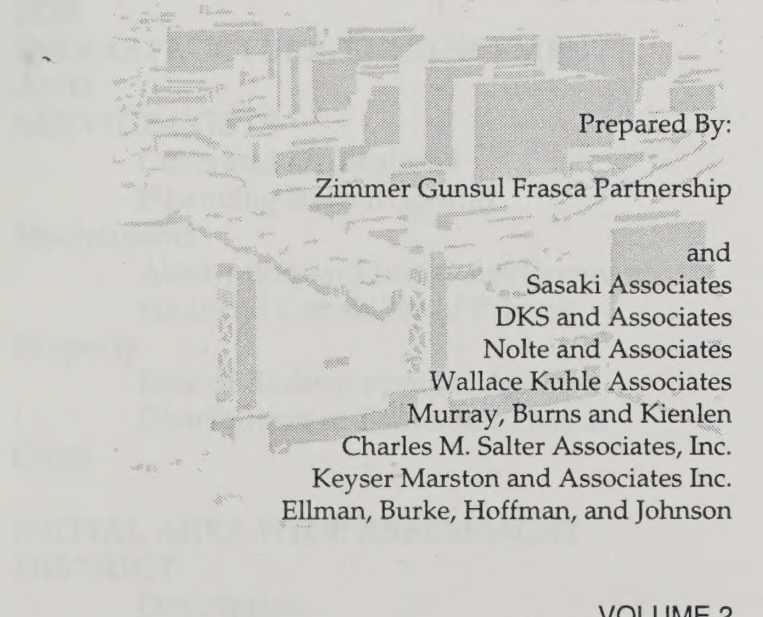
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v. 2

West Sacramento Triangle

A Specific Plan for The Development of Downtown West Sacramento

Adopted June 30, 1993

Technical Appendix



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INTRODUCTION TO THE TECHNICAL APPENDIX

This companion volume to the *West Sacramento Triangle Specific Plan* provides an elaboration of technical material referenced in the Plan document. The *Technical Appendix* is not intended to be adopted with the Specific Plan; merely to illustrate and amplify on certain aspects of it for the purpose of promoting a clear understanding of the technical basis for policies, standards and other statements made in the Specific Plan.

Material in this volume is presented in four sections. The first, *Landscape and Open Space Standards*, includes lists of suggested plant materials. These lists are intended to be indicative of the species which may be selected. They are not exclusionary, but provide an indication of the type and range of plant materials which are likely to meet criteria stated in the Specific Plan.

The second section, entitled *Capital Improvements*, reviews the technical criteria used in sizing utility lines as proposed in the Specific Plan. This section also expands on the rationale for aligning new utility lines in the locations proposed.

The third section, *Cost Summary and Financing* investigates the capital costs involved in developing the Triangle to the extent examined by the EIR over the next eighteen years. The cost of implementing improvements necessary to development of the Triangle in a manner consistent with the Specific Plan are aggregated in three categories: those which benefit the Triangle as a whole, those which benefit a larger portion of West Sacramento and those which benefit specific properties or groups of properties. Alternative methods of financing infrastructure and environmental improvements outlined in the *Implementation* section of the Specific Plan are elaborated here, as are the influences of identified development constraints. After a discussion of land values and the anticipated cost burden of improvements on the private sector, operation and maintenance costs are reviewed before concluding with a preliminary allocation of costs and revenues which may potentially be available to the Triangle.

The fourth and last section of the Appendix describes the main characteristics of an initial area-wide assessment district designed to bring about a significant improvement in the image projected by the Triangle and its attractiveness to prospective developers.

A

Landscape and Open Space Standards

INTRODUCTION TO APPENDIX I: LANDSCAPE AND OPEN SPACE STANDARDS

The Specific Plan provides general design standards and guidelines for the design of the various types of park and open space planned for the Triangle. The success of landscape improvements may be measured by the extent to which plant materials are able to transform the appearance of the Triangle; which in turn depends on the health and vigor to the plants themselves. Soil mix and volume, selection of plant materials for the particular climatic exposure which prevails at each location, habitat value and other factors all play a part in the success of each landscape project. The materials included in this appendix are intended to provide the necessary guidance to assure success in these terms.

The plant lists are intended to be indicative of suitable species but are not intended to exclude use of unlisted species. The lists of trees, shrubs and ground covers for use near the waterfront were selected with riparian habitat values in mind. They emphasize native and naturalized species which have become familiar habitat for local fauna. Used in combination, these materials can produce a multi-layered vegetation in areas designated primarily for habitat landscape. Others are amenable to more urban applications - for example tree varieties which are amenable to being limbed up to preserve sight lines beneath the canopy.

SUGGESTED PLANT LIST

SELECTION CRITERIA

The purpose of the suggested plant lists is to provide examples of plant materials that meet the design intent of the Specific Plan. In many respects, the actual selection of the specific tree is secondary providing that the selection meets the design intent and that the selected plant material is provided with an adequate and appropriate planting environment.

The City of West Sacramento will need to review numerous factors in the selection of trees, shrubs, and groundcovers to be planted and maintained in the public right-of-ways. Plant Material selection to achieve the overall design intent will be dependent upon proper site preparation, long term maintenance, and irrigation.

Critical issues involved in the tree selection include:

- Climatic and Environmental Factors
Exposure;
Wind;
Air pollution.
- Soil Conditions and Water Quality
Textural and structural quality;
Chemistry;
Compaction, aeration, and drainage.
- Physical Constraints
Nature and size of planting area;
Location of adjacent structures;
Underground utilities.
- Horticultural and Maintenance Factors
Permanent irrigation systems;
Insect and disease control;
On-going maintenance and fertilization.
- Availability of Plant Materials.
Growing contracts;
Continuous source of material throughout the years of implementation.

PLANTING ENVIRONMENT

Past methods of planting street trees in small concrete cutouts in sidewalks result in high failure rates. Contemporary urban forestry practices advocate the need to provide adequate soil conditions, irrigation, and long term maintenance. The longevity and health of the urban forest is dependent upon these planting and management concepts in addition to the proper selection of the plant materials.

Suitable Soil Environment

Fundamental to tree health is a suitable soil environment. Soil issues that affect plant growth include: fertility, soil chemistry, drainage, aeration, and soil volume. Deficiencies in site planting soils, including potential soil toxicity, need to be addressed in the design phase and mitigated through proper soil preparation procedures and management practices.

Soil Volume

The eventual size, health, and vigor of a tree is directly related to the soil volume available within the root zone. Trees planted in small cutouts in compacted soils will typically be stunted and susceptible to a variety of stress induced pests and diseases. Planter sizes need to accommodate the stature of the tree planted. Where space is limited, small stature trees should be used as they will require less soil volume to support healthy growth. In the same logic, medium and large stature trees require larger soil volume and therefore larger planting areas.

Soil Compaction

Soil compaction is cited as a major problem in most street tree plantings. Compaction is usually the result of construction activities which compress soils to the point where they not able to be penetrated by air, water, and roots. A tree planted in compacted soils will respond by establishing a shallow root system in the top few inches of soil. This shallow rooting response results in damage to pavement and curbs and often causes trees to suffer drought stress. Pre-planting soil preparation includes the alleviation of compacted soils through deep cultivation. Methods used to fracture soils vary dependent upon the depth of compaction and include a variety of equipment from backhoes to high pressure water or air guns.

Other design options for improving soil conditions include the use of aeration tubes to convey oxygen and water to deeper soils or areas covered by pavement.

Additional Selection Criteria

Ultimately therefore, the criteria considered during selection will also include:

- Stature of the tree - *Relative size of the tree; i.e. large, medium, or small;*
- Appropriate use - *Use in parkways, sidewalks, buffers, etc.;*
- Shape, height, and spread;
- Structure characteristics;
- Tolerance to soil chemistry;
- Turf suitability;
- Disease and Pest Problems;
- Root Structure - *Shallow, invasive, or deep;*
- Percent of dominant species;
- Availability.

PLANT QUALITY, SPECIFICATIONS AND AVAILABILITY

The City of West Sacramento needs to ensure that the trees planted are of acceptable quality in terms of health and structure. To assure availability, the City of West Sacramento may wish to consider supervised growing contracts to specify size, structure, and condition of the trees. Growing contracts established one to two years prior to installation can ensure the availability and quality of trees desired. In addition, implementation should include planting inspection performed by qualified professionals to avoid "construction compromises" that could adversely affect the ultimate success of the planting.

MAINTENANCE

Tree selection will require evaluation for impact on maintenance. Some trees require extensive pruning and training to establish good branch structure. Other species may require regular pest control or may produce messy fruit. The ability of the City of West Sacramento (or the responsible district) to respond to the maintenance requirements will need consideration in the final plant selection. The recommended approach is to establish specifications and guidelines for the long term care of the trees. Establishment of these maintenance goals will help to determine budget requirements and to ensure a continuity of long term maintenance procedures.

PLANT LISTS

The lists on the following pages identify each tree's potential suitability for use in the four landscape zones illustrated in the *Open Space and Landscape Standards* Plan found in the **WHOLE PLAN** section of this report. The five zones are:

- Entrances
- Street Trees in Parkway Conditions
- Street Trees in Sidewalk Conditions
- Buffer Trees.

All the selection factors outlined above require consideration when selecting trees and all are potential constraints. With all tree selections, the City of West Sacramento should recognize the need and have the ability to select alternative tree cultivars if a superior selection becomes available.

While monocultures (large plantings) of single species should be avoided to reduce risk of potential insect or disease problems, single species should be used on a street-by-street basis in order to provide a clarity to orientation and to each street's character. As a rule of thumb, no one tree selection should comprise more than 10% of the total trees used within the project area.

Suggested Tree List
West Sacramento Waterfront Specific Plan

<i>Botanical/ Common Name</i>	Entrances	Street Trees - Parkways	Street Trees - Sidewalks	Waterfront	Buffers
<i>Acer macrophyllum</i> Big Leaf Maple				●	●
<i>Acer negundo californicum</i> Box Elder				●	●
<i>Acer platanoides</i> Norway Maple	●	●	●		
<i>Alnus cordata</i> Italian Alder					●
<i>Alnus rhombifolia</i> White Alder					●
<i>Cedrus deodara</i> Deodar Cedar					●
<i>Celtis australis</i> European Hackberry					●
<i>Celtis occidentalis</i> Common Hackberry					●
<i>Celtis sinensis</i> Chinese Hackberry					
<i>Ceratonia siliqua</i> Carob Tree					●
<i>Cinnamomum camphora</i> Camphor Tree		●			
<i>Fraxinus oxycarpa</i> 'Raywood' Raywood Ash		●			
<i>Fraxinus uhdei</i> Evergreen Ash		●			
<i>Fraxinus velutina</i> 'Modesto' Modesto Ash		●			
<i>Geijera parviflora</i> Austrialian Willow					●
<i>Ginkgo biloba</i> 'Fairmont' Maidenhair tree			●		
<i>Juglans hindsii</i> California Black Walnut				●	●
<i>Laurus nobilis</i> Grecian Laurel / Sweet Bay					●
<i>Laurus nobilis</i> Sweet Bay					●
<i>Liquidambar styraciflua</i> American Sweetgum					

Suggested Tree List West Sacramento Waterfront Specific Plan					
Botanical/ Common Name	Entrances	Street Trees - Parkways	Street Trees - Sidewalks	Waterfront	Buffers
<i>Liriodendron tulipifera</i> Tulip Tree		●	●		
<i>Magnolia grandiflora</i> Southern Magnolia		●			
<i>Nyssa sylvatica</i> Sour Gum					
<i>Phoenix canariensis</i> Canary Island Palm	●				
<i>Pinus densiflora</i> Japanese Red Pine					●
<i>Pinus canariensis</i> Canary Island Pine		●			●
<i>Pinus sylvestris</i> Scotch Pine					●
<i>Pinus thunbergiana</i> Japanese Black Pine					●
<i>Pinus eldarica</i> Eldar Pine					●
<i>Pinus muricata</i> Bishop Pine					●
<i>Pinus nigra</i> Austrian Black Pine					●
<i>Pinus halepensis</i> Aleppo Pine					●
<i>Pistacia chinensis</i> Chinese Pistache		●	●		
<i>Platanus racemosa</i> Sycamore				●	
<i>Platanus occidentalis</i> American Sycamore		●	●		
<i>Platanus acerifolia</i> 'Bloodgood' London Plane Tree		●	●		
<i>Populus fremontii</i> Fremont Cottonwood				●	
<i>Pyrus calleryana</i> 'Bradford' Ornamental Pear		●			
<i>Quercus suber</i> Cork Oak					●
<i>Quercus lobata</i> Valley Oak				●	●

Suggested Tree List West Sacramento Waterfront Specific Plan					
Botanical/ Common Name	Entrances	Street Trees - Parkways	Street Trees - Sidewalks	Waterfront	Buffers
<i>Quercus rubra</i> Red Oak		●	●		
<i>Quercus agrifolia</i> Coast Live Oak				●	●
<i>Quercus virginiana</i> Southern Live Oak		●	●		
<i>Quercus coccinea</i> Scarlet Oak		●	●		
<i>Quercus palustris</i> Pin Oak		●	●		
<i>Quercus lobata</i> Valley Oak				●	
<i>Sequoia sempervirens</i> Coast Redwood					●
<i>Tilia cordata</i> Little-leaf Linden		●			
<i>Ulmus parvifolia</i> Evergreen Elm		●			
<i>Umbellularia californica</i> California Bay				●	●
<i>Washingtonia robusta</i> Mexican Fan Palm	●				
<i>Zelkova serrata</i> 'Village Green' No Common Name		●	●		

Suggested Shrub List (Waterfront Only) West Sacramento Waterfront Specific Plan					
Botanical/ Common Name	Entrances	Street Shrubs - Parkways	Street Shrubs - Sidewalks	Waterfront	Buffers
<i>Ceanothus griseus</i> California Lilac				●	
<i>Ceanothus thyrsiflorus</i> California Lilac				●	
<i>Cercis occidentalis</i> Western Redbud				●	
<i>Diplacus aurantiacus</i> Sticky Monkeyflower				●	
<i>Heteromeles arbutifolia</i> Toyon				●	
<i>Rhamnus californica</i> California Coffeeberry				●	
<i>Rosa californica</i> California Rose				●	
<i>Salix laevigata</i> Willow				●	
<i>Salix lasiandra</i> Willow				●	
<i>Salix lasiolepis</i> Willow				●	
<i>Sambucus mexicana</i> Blue Elderberry				●	

Suggested Grass List (Waterfront Only) West Sacramento Waterfront Specific Plan					
Botanical/ Common Name	Entrances	Street Shrubs - Parkways	Street Shrubs - Sidewalks	Waterfront	Buffers
<i>Bromus carinatus</i> California Brome				●	
<i>Elymus glaucus</i> Blue Wildrye				●	
<i>Elymus triticoides</i> Beardless Wildrye				●	
<i>Festuca californica</i> No Common Name				●	
<i>Hordeum brachyantherum</i> Meadow Barley				●	
<i>Stipa pulchra</i> Purple Needlegrass				●	

PLANTING DESIGN CRITERIA

- Plant Community Approach:
 - Replicate mature native plant community at site prior to construction or native plant community at similar riverfront conditions.
- Plant sizes and density to be determined by the U.S. Army Corps of Engineer's criterias for each "hydrological zone".
- Functional requirements:
 - View corridors
 - Pedestrian circulation
 - Programmed uses
 - Wildlife habitat (A large concentrated area for "habitat" use is preferred over small fragmented clusters.)
- Frequency and duration of flooding
- Jurisdictional requirements:
 - California Department of Fish and Game
 - California Land Conservatory
 - Reclamation districts
 - U.S. Army Corps of Engineers

PRELIMINARY PLANT PALETTE
Waterfront Landscape Mitigation Plan

PLANT MATERIALS			ZONES					
	Botanical Name	Common Name	Upper High Terrace	High Terrace	Lower Terrace	River Channel	Terrace Steps	Amphitheater
Trees	<i>Alnus rhombifolia</i>	Sierra alder				●		
	<i>Plantanus racemosa</i>	California sycamore	●	●			●	●
	<i>Populus fremontii</i>	Fremont cottonwood		●	●			
	<i>Quercus lobata</i>	Valley oak	●				●	●
	<i>Salix goodingii</i> var. <i>variabilis</i>	Black willow		●	●			
	<i>Salix laevigata</i>	Red willow		●	●			
	<i>Salix lasiandra</i>	Yellow willow		●	●			
Shrubs	<i>Artemisia douglasiana</i>	Mugwort		●	●	●		
	<i>Baccharis pllularis</i> ssp. <i>consanguinea</i>	Coyote bush	●	●				
	<i>Heteromeles arbutifolia</i>	Toyon	●					
	<i>Rubus ursinus</i>	California blackberry	●	●	●			
	<i>Rosemarinus officinalis</i> cultvars	Rosemary						●
	<i>Salix hindsiana</i>	Sandbar willow		●	●	●		
Vines	<i>Aristolochia californica</i>	Dutchman's pipe			●			
	<i>Clematis liqusticifolia</i>	Wild clematis		●				
	<i>Jasminum polyanthum</i>	Jasmine						●
	<i>Vitis californica</i>	Wild Grape		●	●			
Grasses	Hard fescue		●	●			●	

B

Capital Improvements

CAPITOL IMPROVEMENTS

Introduction

The Utility Plan for the West Sacramento Waterfront Specific Plan area allows for the orderly and cost effective construction of utilities through a short term development program that seeks to utilize existing infrastructure capacity and a long term program that upgrades infrastructure as dictated by the rate of development.

The transformation of existing planning areas from an industrial use into a mixed use development with urban densities will, over time, require significant improvements to the infrastructure system. These improvements to the infrastructure system will require a coordinated staging effort with the development community and the local governing agency to ensure adequate capacity of infrastructure systems are provided.

Existing water, sewer and drainage systems may be able to function adequately on an interim basis depending upon the level of development anticipated and the specific geographical area designated for the first stage of development.

The following provides a brief description of existing and proposed infrastructure systems within the project boundary and associated offsite mechanisms employed to allow adequate conveyance and distribution of key utilities.

SANITARY SEWER

General

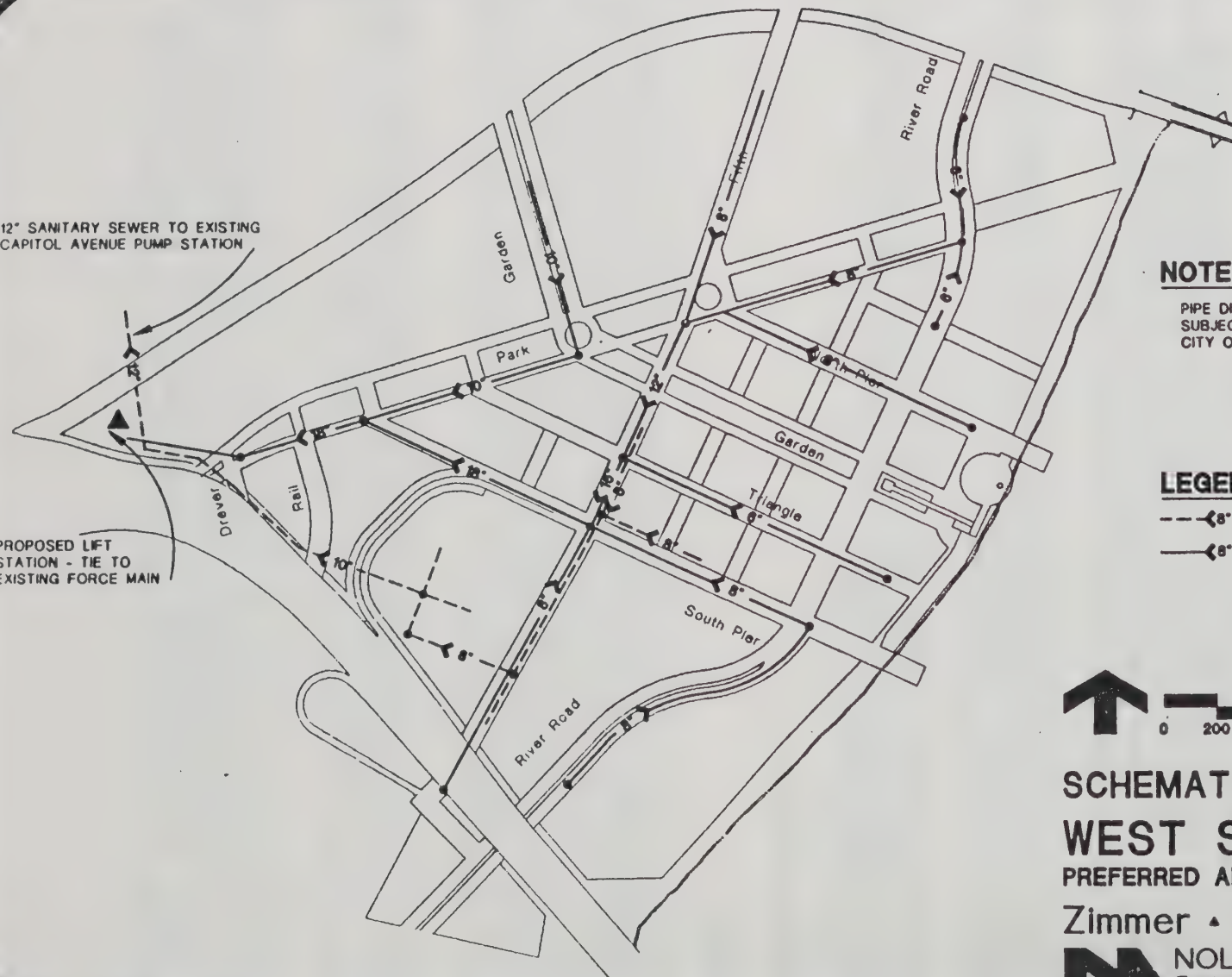
The West Sacramento Waterfront Specific Plan, bounded by Highway 275, Interstate 80, and the Sacramento River is served by two gravity collection systems situated within South River Road and Riske Lane. These systems, although function separately onsite, ultimately convey flows north to the Capitol Avenue Lift Station. Effluent is then conveyed south to the existing wastewater treatment plant via an existing 18 in. forcemain. The Riske Lane system is currently at capacity and would not furnish an adequate interim level of conveyance for the future redevelopment of the plan area.

The South River Road System has the ability to convey flows on an interim basis. Although capacity appears to be available within the existing system, geographical constraints will also dictate the extent of the staged placement of sewer infrastructure.

The wastewater collection system, as identified in Figure 1, proposes the interim utilization of the existing system, assuming geographical placement of initial development allows for such use. It is anticipated upgrades to the existing system will occur as capacity limitations are reached. Due to the limitations in the pumping and collection capacity of the inflow system into the Capitol Avenue Lift Station, it is expected that a new lift station will be

12" SANITARY SEWER TO EXISTING
CAPITOL AVENUE PUMP STATION

PROPOSED LIFT
STATION - TIE TO
EXISTING FORCE MAIN



NOTE:

PIPE DIAMETERS ARE PRELIMINARY AND ARE
SUBJECT TO REVIEW AND APPROVAL OF THE
CITY OF WEST SACRAMENTO.

LEGEND:

--- 8" --- EXISTING SEWER
— 8" — PROPOSED SEWER



**SCHEMATIC SEWER
WEST SACRAMENTO
PREFERRED ALTERNATIVE**

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constructed within the plan area. The new lift station would tie into the existing forcemain at a suitable location.

Wastewater Treatment

The City of West Sacramento operates a wastewater treatment facility with an average dry weather flow capacity of 7.5 mgd. Existing flows at the plant have been measured at approximately 4.40 mgd, therefore leaving approximately 3.10 mgd in excess treatment capacity.

Existing plant capacity is available to new development on a first come, first serve basis; however, the city has entered into agreements with major landowners guaranteeing future capacity availability. As shown below, the total capacity committed for new development within the existing plant is 1.29 mgd. Subtracting the 1.29 mgd of committed treatment capacity from 3.10 mgd of existing excess capacity results in 1.81 mgd that may be available on a first come, first serve basis.

Committed Treatment Capacity

<u>Development</u>	<u>Committed Capacity - mgd</u>
• Raleys Landing	0.17
• Northport Assessment District	0.53
• Lighthouse Marina	<u>0.59</u>
Total	1.29

Due to the anticipated growth of West Sacramento, and specifically in the Southport area, additional wastewater treatment capacity will be necessary to meet the development goals of the City. We understand a new treatment plant with an initial capacity of 3 to 6 mgd is proposed for the Southport Area and is anticipated to be operational by mid-1994. Ultimately this new plant will serve the entire City of West Sacramento.

Sanitary Sewer Generation Rates

Average dry weather flow (ADWF) estimated for sanitary sewerage generated by the project were based upon projected land uses. Sanitary sewage generation rates established for urban land uses within the Waterfront Project are presented in Table 1.

TABLE 1

SANITARY SEWAGE GENERATION RATES

Land Use	Generation Rate (gpd)	Unit
High Density Residential	150	d.u.
Office/Commercial	60	1,000 ft ²

Design Flow

Peak flow and infiltration rates as set forth by the City of West Sacramento shall be the basis for final design. Design Flow is defined as 3.0 times the (ADWF) plus infiltration. The City employs an infiltration rate of 4,000 gallons per inch diameter mile per day.

WATER**General**

The City of West Sacramento receives its surface water supply from the Sacramento River. The Bryte Bend Water Treatment Plant is the main source of water supply and has a treatment capacity of 30 mgd. Together with two small treatment facilities which supply a total of 8 mgd, the system can provide a total maximum day demand of 38 mgd. The main plant can be expanded to 70 mgd. Current maximum day demand is estimated at 19 mgd.

Water distribution occurs throughout the site via a network of 12 inch mains situated within South River Road and Riske Lane. The proposed system is identified in Figure 2 and seeks to utilize the existing network at appropriate tie-in locations.

Based upon our preliminary hydraulic analysis, water improvements connecting the plan area with the proposed Raleys Landing Project must be installed prior to the redevelopment of the plan area. This will provide needed hydraulic continuity within the City's overall distribution system. Subsequent to the installation of these improvements, a system of 12 inch mains situated throughout the project will be required as development occurs. A future connection to the 24 inch main in Jefferson Boulevard should also be anticipated within the buildout of the project.

Water Demand

Estimated of water demand were based upon specific land uses. Water demand rates established for urban land uses within the waterfront project are presented in Table 2.



ASSUME RALEYS LANDING WATER DISTRIBUTION IMPROVEMENTS INSTALLED PRIOR TO DEVELOPMENT OF THE WATERFRONT PROJECT.

PIPE DIAMETERS ARE PRELIMINARY AND ARE SUBJECT TO REVIEW AND APPROVAL OF THE CITY OF WEST SACRAMENTO.

--- EXISTING WATER MAIN
 --- PROPOSED WATER MAIN



SCHEMATIC WATER WEST SACRAMENTO PREFERRED ALTERNATIVE

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TABLE 2
WATER DEMAND RATES

Land Use	Demand Rate (gpd)	Unit
High Density Res.	225	du
Office/Commercial	75	1,000 ft ²

A fire flow demand of 4,000 gpm was utilized in the hydraulic analysis.

STORM DRAINAGE

The existing drainage network consists of pipelines situated within drainage easements north of South River Road and within the South River Road right of way. Discharge of this system occurs within channels that are located within the Interstate 80 (Caltrans) right of way. The channels ultimately convey flow west through a series of larger channels and pipelines to Lake Washington. The existing onsite drainage system may be at capacity depending upon the amount of development area proposed for initial development. Ultimately all of the existing onsite conveyances should be abandoned to meet the estimated flows generated by the redevelopment of the project.

Offsite improvements that incorporate both project and non-project runoff is being evaluated by the City of West Sacramento. Due to the redevelopment of the site, it is anticipated flows from the project site will have increased a buildout by approximately 25%. The onsite drainage improvements for the waterfront project are identified on Exhibit 3. A runoff coefficient of 0.90 was incorporated within the preliminary storm drainage analysis.

PETROLEUM PIPELINE

Santa Fe Pacific Pipeline owns and operates a 12 inch high pressure petroleum pipeline within the waterfront project boundary. Situated within South River Road, the 12 inch conduit conveys refined petroleum north of the plan area and ultimately through the City of Sacramento. Relocation of portions of the pipeline must occur as roadways are realigned and other public and private infrastructure is installed to meet development demand.

In concert with the design phase of future public infrastructure improvements, Santa Fe Pacific will commence the design of the components of the petroleum line designated for relocation. Advanced planning must be initiated with Santa Fe Pacific as specific areas of redevelopment are targeted. Based upon the preferred land use configuration, a preliminary relocation plan is identified in Figure 4.

TO OFFSITE DRAINAGE
CHANNELS AND CONDUIT



PIPE DIAMETERS ARE PRELIMINARY AND ARE
SUBJECT TO REVIEW AND APPROVAL BY THE
CITY OF WEST SACRAMENTO.
OFFSITE IMPROVEMENTS TO BE DETERMINED
BY THE CITY OF WEST SACRAMENTO MASTER
DRAINAGE STUDY.

← 27" — STORM DRAIN



SCHEMATIC STORM DRAIN WEST SACRAMENTO PREFERRED ALTERNATIVE

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NOTE:

PIPE DIAMETERS AND LOCATIONS ARE PRELIMINARY
AND ARE SUBJECT TO REVIEW AND APPROVAL OF
SANTA FE PACIFIC PIPELINE.

LEGEND:

- |12"|--- EXISTING PIPELINE
—|12"|— PROPOSED PIPELINE



**PETROLEUM PIPELINE RELOCATION
WEST SACRAMENTO
PREFERRED ALTERNATIVE**

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NOLTE and ASSOCIATES
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JULY 14, 1992

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MEMORANDUM

TO: Andrew Plescia,
Paddy Tillet and Brian Boxer

DATE: July 31, 1992

FROM: Rob Aragon, P.E.

FILE: 2965-91-00

SUBJECT: WEST SACRAMENTO WATERFRONT SPECIFIC PLAN

Our work associated with the infrastructure element of the waterfront project focused on estimating water demand, wastewater generation and storm water runoff for two buildout conditions. Development of Program A considered 3,186 dwelling units and 6,943,105 square feet of office and Program B assumed 5,006 dwelling units and 3,192,115 square feet of office.

Based upon the design criteria established for the analysis of the project, Program B produced the greater average daily water demand and average daily wastewater flow. No measurable difference in storm water runoff was anticipated between the two scenarios. To that end, Program B furnished the worst case development scenario in terms of water demand and sewer generation and therefore formed the basis for the infrastructure evaluation.

It is our understanding an alternative under consideration seeks to combine the highest land use component within each program. Integrating 5,000 du with 7,000,000 sf of office space maximizes land uses proposed within each program. Although an overall increase of average daily water demand and wastewater generation should be anticipated, the impact relative to the previously evaluated program B is not considered significant. Below we have provided a comparison between Program B and the revised program that maximizes land uses.

WATER

Although average daily water usage will increase at buildout, sizing of water distribution pipelines may not need to be increased because the increased water demand is small relative to the 4,000 gpm fire flow demand.

Water Demand Comparison

	Program B	Revised Alternative
Average Daily Demand	1.37 mgd	1.65 mgd

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SEWER

Due to the maximized land use alternative, average daily sewer flow will increase at buildout of the waterfront project. However, no additional wastewater components over and above that which is projected for Program B is anticipated. The infrastructure elements necessary for the future redevelopment of the site may require larger capacities than previously anticipated. As an example, a pipeline segment previously identified as a 15-inch conveyance may need to be revised to 18-inches to meet the anticipated buildout condition.

Wastewater Generation Comparison

	Program B	Revised Alternative
Average Daily Flow	0.94 mgd	1.17 mgd

Based on the alternative buildout program, no significant changes to the previously proposed infrastructure system are anticipated.

/blb (CM414-K)

COST SUMMARY AND FINANCING

C

**Cost Summary and Financing for
Infrastructure, Enhancements, and
Service Costs**

TECHNICAL DOCUMENTATION

INFRASTRUCTURE, ENHANCEMENTS AND SERVICE COSTS
COST SUMMARY AND FINANCING PARAMETERS

WEST SACRAMENTO TRIANGLE
SPECIFIC PLAN

Prepared for

ZIMMER GUNSUL FRASCA PARTNERSHIP

Prepared by

KEYSER MARSTON ASSOCIATES, INC

August 1992

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INTRODUCTION

The materials contained in this document provide technical documentation and detail pertaining to the costs, phasing and financing aspects of the proposed Triangle Specific Plan. The plan is being prepared by the Zimmer Gunsul Frasca Partnership and its subconsultant team (of which Keyser Marston Associates is a part), for the City of West Sacramento.

Most of the material contained in this document is presented in summary form in the Implementation Strategy sections of the draft Specific Plan document. This material is also integrally related to the development totals and mitigations being analyzed in the Draft EIR, under preparation by EIP Associates, which addresses interim buildout in the year 2010.

The organization and content of this document is as follows:

Section I - presents a summary of costs for infrastructure, enhancements (such as parks) and land dedication requirements. The appendix section provides additional calculations and source materials for specific cost categories.

Section II- presents a review of potential financing resources and mechanisms. It is a descriptive narrative relating each resource to the applicable cost situation.

Section III - contains information and assumptions related to absorption and potential initial development.

Section IV - contains information related to land values, dedications, infrastructure costs and capability of the private sector to bear the cost burden. Mello Roos/assessment district burden capability for build out is also evaluated in this section.

Section V - summarizes the operation and maintenance costs results from the Fiscal Impact Analysis and identifies potential funding capability of source such as the City's General Funds and Redevelopment.

Section VI - provides generalized conclusions and assumptions about how costs might be allocated and distributed among parties.

In addition to this document a market analysis for the commercial/office and residential components of the plan area has been prepared by Keyser Marston Associates, Inc., (KMA). A comprehensive Fiscal Impact Analysis and a School Impact Analysis have also been prepared under separate cover.

LIMITING CONDITIONS/DISCLAIMERS

- The development concept for Programs A & B will not vary significantly from that identified in this document.
- All estimates are in 1992 dollars, unadjusted for inflation.
- The analysis is based on economics rather than political considerations; therefore it should not be construed as a representation or opinion that government approvals for development can be secured.
- The analysis provided in this document assumes that the local national economy will return to a more normal level, i.e., neither the robust growth of the 1980's nor the recession of the 1990's.
- All costs included in this document are preliminary estimates, provided in aggregate and on an "order-of-magnitude" basis only. Thus, they are subject to change as the planning process proceeds.
- Estimates on infrastructure and enhancement costs are provided primarily by Zimmer Gunsul Frasca and Nolte Associates, Civil Engineers. While they appear to be within reason, we cannot guarantee their accuracy.
- It should also be noted that, in order to prepare this preliminary financing analysis, KMA has used the build out density indicated in the EIR. However, we do not foresee the types of projected commercial/office and residential density being achieved in the near to mid term future.
- Thus, the estimated value of lands and improvements are likely to vary significantly, depending on the actual build out of the land uses. For illustration purposes primarily, average values are used in this analysis.
- Any estimates of development costs and/or income and expense projections in this document are based on the best available data but are not intended to be predictions of the future. Rather, they should be viewed as an indicator of future conditions given available data. No warranty or representation is made that any of these estimates or projections will actually materialize.
- All fiscal revenue estimates are based on tax results of the Fiscal Impact Analysis separately being prepared by KMA. Changes in Fiscal Impact Analysis assumptions, i.e., tax rates, service standards, etc., will affect the results of this technical document.
- The analysis, opinions, and conclusions of this document are our informed judgment based on information available as of the date of this report. Due to the volatility of market conditions, the complex dynamics influencing economic situations, the still-to-be defined development concepts, and the preliminary nature of the cost/revenue estimate, all value findings contained within this document are subject to change

SECTION I - SUMMARY OF COSTS AND DEDICATIONS

The materials in this section summarize costs, land dedications and other related items. An initial overview of a benefits concept is also contained in this section, as not all costs relate to or benefit all properties and the rest of the city equally.

A. Estimated Project Costs

This section provides the master summary tabulation for the estimated aggregate project improvement costs that have been identified and quantified in relation to the implementation of the Triangle Specific Plan. For the most part, these costs cover infrastructure and enhancements, or parks and other improvements to upgrade the environment. The costs do not include the actual buildings in terms of the commercial structures and residential units. Annual service costs are also not included but are separately addressed in a later section of this document.

Cost information has been provided by the following major sources:

- Streets, rights of way, and park/open space improvements by Zimmer Gunsul Frasca (ZGF) with assistance from Sasaki Associates;
- Water, sewer, and drainage improvements by Nolte Associates, Civil Engineers.

For analysis purposes, the costs in this section have been divided into three major categories as follows:

- Citywide improvements or improvements that were either dictated by the City or substantially benefit an area beyond the Triangle.
- Areawide improvements which benefit the Triangle Area such as the major street system, major parks, etc. These are improvements that apply to all properties within the area and basically make the area developable as envisioned in the Specific Plan.
- Parcel improvements that provide infrastructure to specific property or properties within the Triangle area, but do not serve the total area. In addition to water and sewer service lines, small street and interior parks fall into this category.

A fourth category of costs, Operation and Maintenance, is discussed in Section V of this document.

The aggregate sum of all project improvement costs identified in Table 1 is approximately \$50 million. Of these, about one-fourth, or approximately \$14 million are for the Areawide Enhancements; \$19 million are for costs that relate beyond the Triangle, and approximately \$19 million apply to subareas or groups of parcels. If the Citywide group of costs is roughly split 50% attributable to the Triangle Area and 50% attributable to the rest of the City, the total cost tab is reduced to approximately \$40 million.

The estimated project improvement costs as quantified do include design and engineering, and an allowance for a modest contingency. The list of costs excludes a number of important items for which cost estimates are not currently available or yet quantified. These are:

- Citywide drainage program pro rata share, now under study by the City.
- Mainline railroad relocation, which is currently estimated to cost \$20 million, but which may not be completed within the time horizon of this analysis.
- Traffic mitigation costs, citywide fees now under discussion but not yet in place.
- Property acquisitions which may be necessary for early ROW improvements, environmental upgrading or other reasons.
- Demolition of privately owned structures which is assumed to be the responsibility of the property owners.
- Light rail improvement costs, not yet quantified.
- Financing and related bond issuance costs, which are addressed in discussions of financing capabilities.

All costs should be viewed as preliminary and subject to further refinement. Cost savings may be possible in some cases; in other cases additional costs may be identified. The analysis is based on a relatively cost efficient sequencing of water and sewer line improvements. Alternative sequencing would entail increased costs to the initial developers, as discussed in Section III.

B. Cost Thresholds for Program "A" and Program "B"

The cost summary presentation is for the improvements identified in the Specific Plan. Two alternative buildouts to the year 2010 were identified for the purposes of the EIR and fiscal impact analysis. For purposes of the economic analyses (fiscal and financial) the two alternatives are:

Program A - 7 million square feet of commercial area and 3,000 residential units.

Program B - 3 million square feet of commercial area and 5,000 residential units.

In both cases the commercial area is inclusive of ancillary retail space, and could also include a hotel.

Of the costs identified in the Cost Summary presentation the following could vary from buildout of one alternative vs. another: They are also thresholds, which is to say that certain magnitudes of development within as well as outside of the Triangle, e.g., in Southport, would trigger the need for these improvements.

- The Route 275 intersection improvements are necessary to accommodate the traffic generation associated with the higher commercial development of Program A. Specifically, the intersections become necessary at a buildout of about 5.4 million square feet of office space. As a result, these improvements will not be necessary with Program B. These intersections have an overall cost of \$4,450,000.
- Business 80 on-ramp is needed to service a development in Southport. The engineers calculate that at about two million square feet of office development in the Triangle, extra capacity will be required on the on-ramp. The majority of the need will be attributable to activity in the Southport area. In Program B the on-ramp reconstruction is not necessary. The on-ramp reconstruction cost estimate is about \$300,000.

For both the Route 275 intersection improvements and the Business 80 on-ramp, the projected development thresholds could conceivably be higher such that the need for the improvements would take place at a later time or not at all if certain traffic reduction conditions were to occur, i.e., if projects outside the Triangle were delayed or under-build, if travel behavior was to change such as an increase in transit use, etc.

- The need for a new or an additional sewer pump is largely driven by the actual level of development within the Triangle. According to the engineers, a new/additional pump will need to be put in place when certain capacities are exceeded; for example, when development is at or above approximately: (1) 1,200 residential units and 1.6 million square feet of office under Program A, (2) 1,400 residential units and 1.4 million square feet of office under Program B, or (3) a combination of land uses which creates an equivalent degree of impact on the system. These threshold levels are not expected to occur until late 1990's to 2000. However, the need could also occur far earlier with a heavy buildout schedule or could conceivably never be needed. Cost estimate is about \$900,000 (including burdens).

Another variable cost is that for the development of "interior parcel parks." Interior parcel parks are necessary to provide the environmental upgrading required to market residential units and also to meet the City's standards for neighborhood parks. However, these interior parcel parks may not be necessary with the lower residential buildout described in Program A. See subsection C on parks calculations, which indicates that with Program A far less interior park area will be required. As the actual level of buildout is unknown at this time, we have not included any cost for "interior parcel park" development in our cost summary.

C. The Benefits Concept

As indicated by the narrative and the division of costs into the major categories, not all costs relate equally to all areas. For the purpose of this presentation, costs have been allocated in three broad categories, as shown on Table 2. The Citywide category contains improvements that were mandated by the City as part of the Citywide circulation system; others will clearly benefit a far broader area or constituency than the Triangle residents or workers. Another category applies to subareas within the Triangle or specific parcel groups. The graphic presentation on Table 2 illustrates how the various line item benefits apply. More precise allocations of benefit will be undertaken through assessment engineering procedures. In some cases, allocations will be negotiated among the affected parties.

D. Land Areas and Dedications

One of the major contributions land owners within the Triangle will make to the Plan will be in the form of land dedications. In its present state there is minimal land in the Triangle area occupied by streets and there are no parks or open space areas (other than Caltrans owned areas adjacent to freeways). For this reason the area is not developable at present for the high density uses as envisioned in the Plan. The Specific Plan will transform the area into a network of landscaped major streets that connect the Triangle to the rest of the City and provide for interior circulation. In addition the plan provides for a park system that will open up the waterfront for public access and enjoyment, generally create the ambience and environment necessary to make possible the high level of private development envisioned. The net effect of these dedications is to enable property owners to achieve a significant increase in land value.

Table 3 presents the distribution of land in private ownership, rights of way, parks, and Caltrans ownership in the present condition and after development of the Specific Plan. Of the 188 acres in the Triangle there is currently about 150 acres that is privately owned. This privately owned land will be reduced to about 102 acres after the dedications have been completed for the street system and the major parks. In others words, privately owned land will be reduced by a factor of 32%, thus implying that on average each property owner will be required to dedicate 32% of his or her land in order to achieve the planned improvements.

The land area calculations described in Table 3 are inclusive of the major parks — or the Waterfront, Garden, and Parkblocks. The calculations do not include additional park areas that may be required within the large subareas, or parcel areas — in the Waterfront, the RGA Edge and the Parkway Edge. These smaller parks are not included in the calculation because their need is contingent upon both the intensity and the land use that is ultimately developed. For example, if these subareas were to build out as primarily office areas, or if the density were less than envisioned in the Specific Plan, then the smaller parks may not be necessary. By comparison, this does not hold true for the major parks for the street system calculated in the analysis. See next section regarding parks.

E. Park Areas - Dedications and Fees

This section summarizes data on parks that affect possible future land dedications, payment of the City's fees currently in place for park improvements, and other issues relating to parks.

The major planned park spaces in the Specific Plan are as follows:

Waterfront Park	5.14 acres
Waterfront Plaza Area	5.26 acres
Park Blocks (park area only)	4.99 acres
The Garden and Garden Street (park area only)	1.30 acres
Wedge Park near Rail Street	<u>0.31</u> acres
Total Major Parks	17.00 acres

The above areas exclude the landscaped buffer areas near Business 80 and State Route 275, now owned by Caltrans. The figures also exclude interim areas of nursery or tree cultivation.

As indicated in the cost summary and the land dedication section, there are also smaller "interior parcel parks" envisioned in the Specific Plan. These may not be absolute requirements if the subarea(s) are developed primarily into office use, or if a lower level of density is ultimately built than currently envisioned. The interior park areas are estimated to account for approximately 15% of the three large subareas, as follows:

Waterfront Subarea	4.26 acres
RGA Edge	3.24 acres
Parkway Edge	<u>6.31</u> acres
Total "Interior Parcel" Parks	13.81 acres

The combined acres of both the Major Parks and the Interior Parcel Parks is: 30.81 acres.

The City of West Sacramento has park land dedication requirements and in lieu equivalents (or Quimby fees) and park impact fees which pay for park improvement costs. Several alternative calculations appear to be applicable to the planned residential units in the Triangle. The EIR makes reference to a standard of 0.78 acres per 100 dwelling units for neighborhood and community parks. The City's Book of Fees provides standards for Apartment/High Density residential at 0.6 acres per 100 dwelling units, or at the lowest end 0.5 acres per 100 dwelling units. The City Fee book indicates that calculations are based on three acres per 1000 persons. Applied to the Triangle, where we are expecting a density of 1.67 persons per unit, 600 units would be equivalent to 1000 persons, or a requirement at the 0.5 acres per 100 units.

The resulting park requirements for the residential component of each Program are as follows:

Program A - 3000 units @ .0078 per unit = 23.4 acres
 @ .006 per unit = 18.0 acres
 @ .005 per unit = 15.0 acres

Program B - 5000 units @ .0078 per unit = 39.0 acres
 @ .006 per unit = 30.0 acres
 @ .005 per unit = 25.0 acres

In summary, depending on how the City of West Sacramento calculates the park acreage requirement, the major parks could provide sufficient park space for up to 3400 units utilizing the lowest factor alternatively, up to 39 acres could be required with Program B and the highest factor.

It is noted that these calculations do not include a factor for office space which is not referenced in the Book of Fees but is in the EIR, with reference to the General Plan. On the other hand, it appears that additional open areas, such as buffer areas near the freeway may also qualify.

The cost summary table presented at the outset of this section contains an entry for park improvement fees. At the stated fee levels in the City's Book of Fees, collections would be as follows:

Fee Rates:

Residential - \$797/unit (mid-range figure)

Office - \$0.308 per square foot

Retail - \$0.165 per square foot

<i>Program A</i> - 6,900,000 sq. ft. office	\$ 2,125,000
100,000 sq. ft. retail	16,000
3,000 residential units	2,391,000
Total	\$ 4,532,000

<i>Program B</i> - 2,490,000 sq.ft. office	\$ 905,520
60,000 sq. ft. retail	9,900
5,000 residential units	3,985,000
Total	\$ 4,900,420

By comparison, the park improvement costs for the major parks alone is estimated to exceed \$6.8 million, excluding the piers and structural improvements along the waterfront.

Based on the above calculations, park fees have not been added to the analysis since the improvements to the planned major parks will cost well in excess of any fee equivalents.

F. Total Costs Per Square Feet

A useful way to evaluate total costs is to view them as applied to each square foot of land area and of development or building area.

PRELIMINARY ESTIMATE OF IMPROVEMENT COSTS
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

PROGRAM A - In 1992 Dollars

CAPITAL IMPROVEMENT ITEMS (2)	COMMENTS/SOURCE	ESTIMATE (1)	PORTION ATTRIBUTABLE TO PLAN		PORTION NOT ATTRIBUTABLE TO PLAN	
AREAWIDE COSTS:						
1. AREAWIDE ENHANCEMENTS						
Planted Buffer Area (600 Trees)	600 trees installed (ZGF)	\$246,528	100%	\$246,528	0%	\$0
Major Arterials (4)						
- North Pier Street (80' row)	\$820 per l.f. (660 l.f.)	595,320	100%	595,320	0%	0
- South Pier Street (ramp to water)	\$750 per l.f. (1,120 l.f.)	924,000	100%	924,000	0%	0
- South Pier (park to 5th)	\$660 per l.f. (790 l.f.)	573,540	100%	573,540	0%	0
108' ROW River Road (south section)	\$810 per l.f. (1,880 l.f.)	1,675,080	100%	1,675,080	0%	0
120' ROW River Road (north section)	\$850 per l.f. (830 l.f.)	776,050	100%	776,050	0%	0
100' ROW River Road (Parkblocks & S. Pier)	\$900 per l.f. (1,520 l.f.)	1,504,800	100%	1,504,800	0%	0
Garden between Parkblocks and River	\$1020 per l.f.(780 l.f.) \$35 psf @ water	875,160	100%	875,160	0%	0
Garden Steet between Parkblocks & SR-275	\$981 per l.f. (803' row)	866,517	100%	866,517	0%	0
Park Block Streets & Park (\$200K for park)	\$880 per l.f. (3,017 l.f.)	2,920,456	100%	2,920,456	0%	0
Business 80 Off-Ramp	Est. from DKS (\$250,000)	300,000	100%	300,000	0%	0
Police (1,000 SF station in retail space)	Storefront in Triangle (KMA)	50,000	100%	50,000	0%	0
Fire	KMA	0	100%	0	0%	0
Specific Plan/Entitlements	McCuen Properties	1,300,000	100%	1,300,000	0%	0
Assessment District Formation @ 20%	McCuen Properties for \$5 million	1,000,000	100%	1,000,000	0%	0
Subtotal Areawide Enhancements		\$13,607,451		\$13,607,451		\$0
2. CITYWIDE IMPROVEMENTS						
Waterfront Parks	Landscaping & restoration (ZGF)	\$100,000	50%	\$50,000	50%	\$50,000
Park Areas	Included above (\$1 Million +)	0	50%	0	50%	0
Promenade, Amphitheatre & Terrace Finishes						
- Garden	1 ac. @ \$20 p.s.f.	958,320	50%	479,160	50%	479,160
- Bank & Waterfront Plaza	3.2 ac. @ \$11 p.s.f.	1,686,643	50%	843,322	50%	843,322
- Promenade	.95 ac. @ \$33 p.s.f.	1,502,167	50%	751,083	50%	751,083
Amphitheatre & Terrace Structure	\$16.5 psf throughout central waterfront	2,312,500	50%	1,156,250	50%	1,156,250
North Pier (8,000 s.f. @ \$200)		1,600,000	50%	800,000	50%	800,000
South Pier (25,000 s.f. @ \$150)		3,437,500	50%	1,718,750	50%	1,718,750
Route 275 Intersections (Third/Fifth, Garden)(2)	DKS estimate	4,450,000	50%	2,225,000	50%	2,225,000
Business 80 On-Ramp	DKS estimate	300,000	50%	150,000	50%	150,000
- 5th Street (640 l.f.)	\$820 bet. South Pier & Park (ZGF)	524,800	50%	262,400	50%	262,400
(950 l.f. North, 1,453 l.f. South)	\$750 North & South Section (ZGF)	1,802,250	50%	901,125	50%	901,125
Subtotal Citywide Improvements		\$18,674,180		\$9,337,090		\$9,337,090
SUBTOTAL AREAWIDE COSTS		\$32,281,631		\$22,944,541		\$9,337,090
COST PER SF OF NET LAND AREA		\$7		\$5		\$2
COST PER SF OF PERMITTED DEVELOPMENT		\$3		\$2		\$1

PARCEL GROUP COSTS:

3. PARCEL INFRASTRUCTURES

Water	Nolte Associates	1,771,000	100%	\$1,771,000	0%	\$0
Sanitary Sewer (no pump station) (3)	Nolte Associates	1,048,500	100%	1,048,500	0%	0
Storm Drainage	Nolte Associates	2,573,000	100%	2,573,000	0%	0
Utility Trench	Nolte Associates	2,640,000	100%	2,640,000	0%	0
Lonestar Rail Relocation	City Rail Study	470,000	100%	470,000	0%	0
Petroleum Pipeline Relocation	Nolte Associates	301,000	100%	301,000	0%	0
Minor Streets (4)						
- Triangle (1,620 l.f.)	\$660 per l.f. (ZGF)	1,176,120	100%	1,176,120	0%	0
- Street north of North Pier (610 l.f.)	\$660 per l.f.	442,860	100%	442,860	0%	0
- Park Block cross streets (500 l.f.)	\$400 per l.f.	220,000	100%	220,000	0%	0
- 3rd Street (990 l.f.)	\$660 per l.f.	653,400	100%	653,400	0%	0
- 4th Street (660 l.f.)	\$660 per l.f.	479,160	100%	479,160	0%	0
- 6th Street (220 l.f.)	\$660 per l.f.	159,720	100%	159,720	0%	0
- Drever Street (85 l.f.)	\$580 per l.f.	54,230	100%	54,230	0%	0
- Perimeter Parcel Streets (9,300 l.f.)	\$620 per l.f.	6,342,600	100%	6,342,600	0%	0
- Rail Street (includes bike trail)(487 l.f.)	\$650 per l.f.	348,205	100%	348,205	0%	0
Interior/Perimeter Parcel Parks	0	0	100%	0	0%	0
		-----		-----		-----
SUBTOTAL PARCEL GROUP COSTS		\$18,679,795		\$18,679,795		\$0

PROGRAM A (3)

TOTAL CAPITAL IMPROVEMENT COSTS (BEFORE FEES)	\$50,961,426	82%	\$41,624,336	18%	\$9,337,090
COST PER SF OF NET LAND AREA	\$11		\$9		\$2
COST PER SF OF PERMITTED DEVELOPMENT	\$5		\$4		\$1

PROGRAM B (3)

TOTAL CAPITAL IMPROVEMENT COSTS (BEFORE FEES)	\$47,013,756	85%	\$40,115,251	15%	\$6,898,505
COST PER SF OF NET LAND AREA	\$11		\$9		\$2
COST PER SF OF PERMITTED DEVELOPMENT	\$6		\$5		\$1

- Park Impact (Excl. Land Dedication)	City of West Sacramento/KMA	5,730,500	100%	5,730,500	0%	0
- School Impact	City of West Sacramento/KMA	5,730,500	100%	5,730,500	0%	0
- Yolo County Facilities	Yolo County/KMA	6,067,000	100%	6,067,000	0%	0
- Sewer Capacity	City of West Sacramento/Molte	9,525,133	100%	9,525,133	0%	0
- Water Capacity	City of West Sacramento/Molte	1,341,202	100%	1,341,202	0%	0
		-----		-----		-----
TOTAL IMPACT/CONNECTION FEES		\$22,663,835		\$22,663,835		\$0

PROGRAM A (3)

TOTAL ALL COSTS (WITH FEES)	\$73,625,261		\$64,288,171	13%	\$9,337,090
COST PER SF OF NET LAND AREA	\$16		\$14		\$2
COST PER SF OF PERMITTED DEVELOPMENT	\$7		\$6		\$1

PROGRAM B (3)

TOTAL ALL COSTS (WITH FEES)	\$71,041,481	90%	\$64,142,976	10%	\$6,898,505
COST PER SF OF NET LAND AREA	\$16		\$14		\$2
COST PER SF OF PERMITTED DEVELOPMENT	\$9		\$8		\$1

(1) Assumes normal standard materials. Use of special finishes would increase some of these estimates.

(2) Excludes: Citywide drainage program pro-rata share
Mainline railroad relocation (\$20 million)
Traffic mitigation fees
Problem property acquisition/removal/clean-up
Land acquisition related to Lonestar relocation
Demolition of structures
Financing and related bond issuance costs, etc.
R.O.W. acquisitions
Light rail improvements

(3) Cost differences between Program A & B:

	Program A	Program B	Difference
Route 275 Intersections	\$4,450,000	\$0	\$4,450,000
Sanitary Sewer	\$1,048,500 (no pump station)	\$1,978,000 (incl. pump station)	(\$929,500)
Business 80 On-Ramp	\$300,000	\$0	\$300,000
Impact/Connection Fees			
- School Impact	\$5,730,500	\$7,297,500	(\$1,567,000)
- Yolo County Facilities	\$6,067,000	\$5,293,000	\$774,000
- Sewer Capacity	\$9,525,133	\$9,201,888	\$323,245
- Water Capacity	\$1,341,202	\$2,235,337	(\$894,135)
	-----	-----	-----
(4) Street p.s.f. numbers include 20% contingency, totals include 10% design costs.	\$28,462,335	\$26,005,725	\$2,456,610

TABLE 2
INFRASTRUCTURE AND ENHANCEMENTS BENEFICIARIES
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

● Major Benefit
 ○ Minor Benefit
 No Benefit

Improvement Items	BENEFIT TO SPECIFIC PLAN SUBAREA					
	RGA Edge	Waterfront Edge	Core Area	Park Block	Parkway Edge	Benefit Beyond Specific Plan Area
Area-wide						
1. Area-wide Enhancements						
Planted Buffer and Screening	●	●	●	○	●	
Major Arterials						
- North Pier Street		●	●	○		
- South Pier Street	●	●	●	○	○	
108' ROW River Road	●	●	○	○	○	○
120' ROW River Road	○	●	○	○	●	○
100' ROW River Road	○	●	●	○	○	○
Garden between Parkblocks and River		●	●	○		
Garden Street betw. Parkblocks & SR-275			●			○
Park Block Streets & Park			●	○	●	○
Business 80 Off-Ramp	●	●				
Police (1,000 SF station in retail space)	●	●	●	○	●	
Fire Protection Services	●	●	●	○	●	
Specific Plan/Entitlements	●	●	●	○	●	
Assessment District Formation	●	●	●	○	●	
2. Citywide Improvements						
Waterfront Parks	●	●	●	○	●	●
Promenade, Amph. & Terrace Finishes						
- Garden	●	●	●	○	●	●
- Bank and Waterfront Plaza	●	●	●	○	●	●
- Promenade	●	●	●	○	●	●
Amphitheatre & Terrace Structure	●	●	●	○	●	●
North Pier	●	●	●	○	●	●
South Pier	●	●	●	○	●	●
Route 275 Intersections	○	●	○	○	●	●
Business 80 On-Ramp						●
- 5th Street Core Portion	●		●	○	●	●
- 950 I.F. North & 1,453 I.F. South Portion	●		●	○	●	●
3. Parcel Infrastructure						
Water	●	●	●	○	●	
Sanitary Sewer (no pump station)	●	●	●	○	●	
Storm Drainage	●	●	●	○	●	
Utility Trench	●	●	●	○	●	
Longwater Rail Relocation		●			●	
Petroleum Pipeline Relocation			●			
Minor Streets						
- Triangle		●	●	○		
- Street north of North Pier		●	●	○		
- Park Block cross streets			○	○	○	
- 3rd Street			●	○		
- 4th Street			●	○		
- 5th Street			●	○		
- Drayer Street			●			
- Perimeter Parcel Streets	●	○			●	○
- Rail Street					●	○
Interior/Perimeter Parcel Parks	●	●			●	
Notes: Major benefit implies benefit at least commensurate to subarea's share of developable building area.						

TABLE 3
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN
LAND AREA DISTRIBUTION

PRESENT CONDITION (1992)

Public Rights-Of-Way (R.O.W.) ¹	12.36 Acres
Privately Owned Parcels	153.36 Acres
Caltrans-Owned Property	<u>22.28 Acres</u>
TOTAL	188.00 Acres

DRAFT SPECIFIC PLAN

Public R.O.W.'s (Including Caltrans R.O.W.) ¹	54.80 Acres
Parks and Open Spaces ¹	17.00 Acres
Private Development Parcels (116.3 Acres Total)	
Less Interior Local Distributors Streets ¹	13.90 Acres
Net Development Area	<u>102.30 Acres</u>
TOTAL	188.00 Acres

SUMMARY

Present privately owned land area	153.36 Acres
Net development land area per draft Specific Plan	<u>102.30 Acres</u>
Total land dedication to R.O.W.'s and Parks	51.06 Acres
	or 33.3 %

¹ Per Zimmer Gunsul Frasca (ZGF) Partnership memorandum dated 6/22/92.

Source: Keyser Marston Associates, Inc.

WORKSHEET A.
 CALCULATION OF SEWER CAPACITY FEES
 WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

COMMERCIAL @ \$770/1000 SF
 (+ \$105/Plumbing Fixture)

RESIDENTIAL @ \$3,216/du (SF @ 42.86%)
 INSPECTION FEES Residential @ \$20/lateral
 Commercial @ \$50/lateral

PROGRAM A	COMMERCIAL			RESIDENTIAL			TOTAL COMMERCIAL & RESIDENTIAL
	GBA	FEE	TOTAL	NO. UNITS	FEE	TOTAL	
RGA	1,900,000	0.77	\$1,463,000	300	\$1,378	\$413,513	\$1,876,513
Waterfront	2,500,000	0.77	1,925,000	400	\$1,378	551,351	2,476,351
Core	1,600,000	0.77	1,232,000	400	\$1,378	551,351	1,783,351
Park Blocks	100,000	0.77	77,000	500	\$1,378	689,189	766,189
Parkway Edge	900,000	0.77	693,000	1,400	\$1,378	1,929,729	2,622,729
Total (Incl. Retail)	7,000,000 100,000	0.77	\$5,390,000	3,000	\$1,378	\$4,135,133	\$9,525,133
TOTAL (Excl. Inspection Fees)			\$9,525,133				

PROGRAM B	COMMERCIAL			RESIDENTIAL			TOTAL COMMERCIAL & RESIDENTIAL
	GBA	FEE	TOTAL	NO. UNITS	FEE	TOTAL	
RGA	850,000	0.77	\$654,500	750	\$1,378	\$1,033,783	\$1,688,283
Waterfront	750,000	0.77	577,500	1,450	\$1,378	1,998,648	2,576,148
Core	800,000	0.77	616,000	500	\$1,378	689,189	1,305,189
Park Blocks	25,000	0.77	19,250	620	\$1,378	854,594	873,844
Parkway Edge	575,000	0.77	442,750	1,680	\$1,378	2,315,674	2,758,424
Total (Incl. Retail)	3,000,000 60,000	0.77	\$2,310,000	5,000	\$1,378	\$6,891,888	\$9,201,888
TOTAL (Excl. Inspection Fees)			\$9,201,888				
AVERAGE PROGRAM A AND B			\$9,363,510				

SECTION II - FINANCING RESOURCES AND MECHANISMS

This section identifies and briefly describes the various financing sources potentially available for funding the capital and infrastructure improvements, the operating and maintenance costs for the improvements and other enhancements required for the development of the West Sacramento Triangle Specific Plan area.

Potential financing sources for public improvements can be grouped generally into four categories, as follow:

- A. State, Federal, or Local funds such as grants and pass-throughs,
- B. Local "Pay-As-You-Go" (Cash) financing which relies on the use of currently available funds to pay for public improvement costs, and
- C. Local "Pay-As-You-Use" (Debt) financing provides for payments to be made over time by those who use or derive benefit from the improvements.
- D. Redevelopment financing through the use of tax increment funds.

The following subsections describe these source categories and identify the specific financing mechanism for each.

A. Federal, State, or Local Funds

It is usually desirable to identify the maximum amount of project costs that could conceivably be eligible for Federal and State funds and thus reduce the local burden. Unfortunately, only two project costs of those identified in the cost summary presentation appear to be possibly eligible for federal or state funds. However, it is generally recommended that all the sources as well as other potential existing or future State or Federal sources not identified below be actively pursued. These are described below followed by information on the City of West Sacramento General Fund resources.

- California Transportation Commission - Caltrans funds are available for acquisition, planning, construction and/or maintenance of state transportation system improvements such as freeway interchanges, rail expansions, ferry services, etc. Projects are funded from primarily from federal/state gas taxes; other sources include county sales tax, bonds, developer fees, etc. Caltrans also administers the Department of Transportation (DOT) funds. To apply for the funds, the project must be first submitted and reviewed by Sacramento Area Council of Governments. If approved, the project is then incorporated into a Transportation Improvement Plan and sent to Caltrans.

Potentially, this program could be used for the SR-275 improvements, assuming Caltrans agrees with the reclassification of the state route. At this time, however, availability of Caltrans resources to fund the improvements appears doubtful.

- Wildlife Conservation Board (WCB) Program - As part of the Department of Fish and Game, WCB is separately funded to allocate funds for the purchase of land and waters suitable for recreation purposes and the preservation, protection and restoration of wildlife. Eligible activities potentially include fishing piers or floats, access roads, boardwalks, and support facilities such as restrooms and parking areas for the waterfront improvements.

Projects are generally chosen on basis of providing the most recreational opportunities for the most people (e.g., located in areas of greatest need concentrations of population, etc.). Adequate parking also has to be provided and there can be no charge for pier access. Maintenance and operation must be undertaken by cooperating agency and without cost to State (as are engineering, cost estimates, and contract administration). Construction cost, such as for ocean fishing piers, must be matched at least 50% by cooperating agency. The Triangle Specific Plan includes a multi purposed pier estimated to cost \$7.5 million, which is eligible for funding up to 100%. The amount the State currently has available each year is \$750,000 which comes from horse-racing parimutuels, augmented by the Federal Land and Water Conservation Funds. Competition for the funds is extremely intense. It is unlikely that the Triangle Specific Plan development would be successful in competing for the limited funds.

- General Revenues - General revenues are the primary source of funds for the operation and maintenance of public services in a community. General revenue sources typically received by a locality include property tax, property transfer tax, transient occupancy tax, sales tax, utility franchise tax, revenues from other agencies, gas tax, and fines and forfeitures. They include state subventions to local taxes and user fees (e.g., parks/recreation fees, building permit fees, encroachment fees, etc.), depending on the nature of the services. The availability of general revenues generated by the Specific Plan development is discussed in the Fiscal Impact Analysis for the project and in Section V of this document.

In the West Sacramento Triangle Specific Plan area, revenues from the property tax and property transfer tax would be allocated to the city's redevelopment agency as the Plan area is within a redevelopment district. All other general revenues would be received by the City of West Sacramento. Such funds are legally available to pay for operation and maintenance and capital improvements. The availability of funds is discussed in a later section.

B. Local Pay-As-You-Go

This approach typically is cash-based. In other words, funds are generally available or have been accumulated in sufficient amount to finance the construction of the improvements. The "Pay-As-You-Go" method is the least expensive approach to financing capital projects as there are likely to be substantial savings in interest expense if the project does not have to be carried upfront. It is also more equitable as the choice of the expenditure is made by existing residents — who will be the primary beneficiaries and payees.

However, the approach must be used prudently because early commitment of available cash may restrict a public entity's ability to meet unanticipated needs. In addition, since the passage of Proposition 13, localities have been straining to meet their existing operation and service burdens; thus, very little funds, if any, are likely to be available upfront to pay the capital costs of improvements generated by new growth demand.

This problem is especially endemic in areas which are fast growing and/or which have multiple large development projects — such as the City of West Sacramento. Even if the funds are available, i.e., from Enterprise Revenue Funds or special taxes (without debt financing), the timing of the payment, collection and/or accumulation of these funds can lag significantly behind public infrastructure improvement requirements in a fast growing community. Thus, this source of financing does not generally support the construction of major facilities in the early part of the development cycle.

The sources of these funds include the following:

- Development Impact Fees/Exactions - In West Sacramento, the major development fees currently in place include (1) Quimby and Park Facility Development Fees (for park improvements), (2) School Mitigation Fees and (3) Yolo County Facilities Fees.

Two ordinances are applicable in regards to park development fees: Ordinance 90-7 (Park Land Dedication/In-Lieu Fee under the Quimby Act) and Ordinance 90-9 (Park Facility Development Fees.) Under Ordinance 90-9, the fees may be offset by the value of privately developed or financed public accessible park improvements. However, Ordinance 90-7 would still be applicable in that land area must be dedicated per the ordinance requirement for park use; otherwise in lieu fees must be paid. It is unclear at this time how the proposed park spaces in the plan would apply under these ordinances.

The total amount of the School Fees is estimated at \$6.1 million, based on the current rate of \$1.58 per square foot of net residential use (3,000 units) and \$.26 per square foot of commercial space (7,000,000 square feet). The Yolo County Facilities Fees are estimated to total \$5.2 million — based on approximately \$725 per unit (for 5 or more units buildings), \$556 per 1000 square feet office, and \$296 per 1000 square feet retail. However, to our knowledge, the City to date has not implemented the collection of this county fee.

Revenues from these fees can be applied towards the construction of applicable capital and infrastructures improvements, i.e., parks, schools, county facilities, if approved by the affected public entity, and thus represent a potential source of funds. The disadvantage of this source of financing is that such fees are generally payable at the time of building permit issuance. Thus, in a project such as the Triangle project, the improvements to be financed by those fees must be able to be developed incrementally or such fees need to be accumulated over time until sufficient amounts are available for the eligible improvements.

- Enterprise Revenue Funds/User Charges - These consist typically of upfront payments made to municipal enterprises such as sewer, water, utilities, etc. Payments are made in the form of buy-in, hook-up or connection fees (e.g., annexation charges, capital facilities fees, pump zone charges, etc.). In the case of the West Sacramento Triangle Specific Plan area, both sewer and water connection fees are applicable although it is uncertain what portion, if any, could be used to defray the costs of the sewer and water capital/infrastructure improvements. The use of these revenues are subject to negotiations with the service entity involved.
- Capital Improvement Funds - These funds, set aside for construction and/or replacement of capital items, generally represent another potential source of "Pay-As-You-Go" financing. However, the City of West Sacramento has indicated that such funds are extremely limited at the present time and that those available are already committed to other projects. However, it may be possible for the City to designate future surplus revenues, if there are any generated by the Triangle Specific Plan area to the City, for capital and infrastructure improvements in the later phases of plan implementation. As with development impact fees, the surplus revenues, if any, must be accumulated until they are sufficiently significant to pay for the needed capital improvements.

C. Local Pay-As-You-Use

This approach is debt-based, with funds typically generated through bond sales. The approach is premised on the belief that the burden of paying for a public capital improvement should be shared by all who use and/or benefit from it — both in the present and in the future — rather than just the existing users (as under the Pay-As-You-Go approach).

The advantage of debt financing is that it provides a public entity with more flexibility and alternatives to meet rapidly changing needs. As cities grow, they are more likely to be able to afford the debt payments needed to build the infrastructure improvements to support new growth demands. Thus, debt repayment schedules can be tied to the growth of the community. This method can also take advantage of market opportunities, i.e., by financing/refinancing projects during low interest rate periods or by reinvesting cash-on-hand during high periods. Furthermore, since the debt repayment is shared by both existing and future beneficiaries, as a community grows, the cost per capita decreases.

The "Pay-As-You-Use" approach is generally more expensive, due to the administrative, reserves, and other associated debt financing costs as well as inflation over time. It also represents a more equitable distribution of the cost burden as both existing and future beneficiaries of the improvement would be responsible for the debt repayment.

The predominate source of funds under Pay-As-You-Use is debt-financing and includes the following mechanisms:

- Mello Roos Community Facilities Districts - The Mello Roos Community Facilities Act of 1982 authorizes local agencies to establish community facilities districts to finance the construction, expansion, rehabilitation, or acquisition of any real or other tangible property with an estimated useful life of five years or more. The Act permits a local entity to establish a Mello Roos Community Facilities District (CFD), to levy special tax and to issue bonds with the approval of two-thirds vote by qualified voters or landowners (if less than 12 registered voters) in the CFD.

Examples of eligible facilities in the West Sacramento Triangle Plan area include:

- Local parks, recreation, parkway and open space facilities.
- Construction or relocation of the oil pipeline, trenching for telephone, electricity, and cable T.V.
- Repayment of any fixed special assessment liens or indebtedness levied within the district.
- Any government facilities which the legislative body creating the CFD is authorized by law to construct, own or operate. In the Specific Plan Area, for example there is a proposed police facility and fire equipment purchase which could qualify.

In addition, a Mello-Roos CFD may also provide the following services - to the extent that they are in addition to those already available. In the Triangle Specific Plan Area, the following would be applicable:

1. Police protection services
2. Fire protection and suppression services, ambulance and paramedic services
3. Removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

In order to issue bonds, it must be demonstrated that the project can support the additional burden of the special tax. Typically, a minimum value-to-lien ratio of 3:1 and a maximum of 2% of assessed value (inclusive of property tax) for the tax burden are used to test for Mello Roos CFD financing feasibility. The next section will present a quantification of these tests.

Given the complex phasing of the capital/infrastructure improvements for the Triangle Specific Plan area, the Mello-Roos CFD program may be the most ideal financing source for the project as it permits wide flexibility and can be adapted to phasing. For example:

- A single special district and/or multiple districts can be formed to fund different improvements. Thus, overlay districts or sub-districts can be created to fund both projectwide as well as subarea-specific costs.
- As CFD boundaries do not have to be contiguous, specific parcel(s), i.e., development parcels or problem parcels within the Triangle Specific Plan area, can be excluded or included. These parcels can be later annexed into the CFD if appropriate.
- Improvements not located within the CFD can be funded as long as they provide benefit to the CFD. Thus, off-site improvements, such as the SR-275 Interchanges or Business I-80 improvements could potentially be funded through Mello Roos as well.
- The special tax, levied within the district, does not have to be based on benefits provided that the allocation of the tax is based on an equitable formula. This provision allows for a distribution of costs so that they do not constitute an unfeasible burden on a property, i.e., between an older and newer use which may receive the same benefits but have different financial economics.
- The Mello Roos special tax bonds can be structured as a single large issue or a series of smaller bond issues to finance the improvements over several years. A single issue would ensure that all financing is in place and lock in the bond interest rate. A series of issues would allow for development to be phased in with project approvals — although it may incur more bond issuance costs and/or interest costs if rate increases. The incremental construction of capital and infrastructure improvements is an important component of the West Sacramento Triangle Specific Plan.

Additional advantages of a Mello-Roos are that (1) it provides a long-term, fixed-rate source of tax-exempt financing and (2) the flexible special tax formulas can be designed to keep the holding costs on undeveloped property low. The disadvantage of Mello-Roos financing for the project is that, in the current market environment, additional security in the form of credit enhancements or higher debt coverage ratios are being required in some cases — specifically in situations where there is an inexperienced developer, an untested concept, an untested location, etc., which could substantially increase the cost for a Mello Roos bond to the extent that the program is no longer feasible.

Our assessment is that the more stringent requirements may not be applicable in the case of the West Sacramento Triangle project as (1) it is being undertaken by an experienced and credit-worthy developer, and (2) there appears to be sufficient market support for the types of land uses being proposed.

- **Special Assessment Districts** - Special assessment districts have historically been a major source of financing for capital/infrastructure improvements. A special assessment district can be established either through petition by landowners or by a public governing agency. Eligible improvements in the West Sacramento Plan area include infrastructure or support structures necessary to the community, such as grading, street paving, sidewalks, curbs, gutters, sanitary sewers, water supply, street lighting, off-street parking, landscaping, storm drainage systems, land and easements, fire protection, local gas and electrical services, retaining walls and land stabilization. Acquisition of land may be included if rights-of-way have not already been dedicated to the public entity.

However, it is critical that the improvements be determined to provide specific benefits to a local area. Benefit, in the real estate sense, is defined as added value to property. For this reason, more community-wide facilities, such as the police station and fire equipment may be more appropriate activities under the Mello Roos Community Facilities District.

The enabling acts for special assessment districts include the Improvement Acts of 1911, the Municipal Improvement Act of 1913, and the Improvement Bond Act of 1915 (which differs from 1911 Act in that it represents a portion of the total debt rather than obligations tied to a particular land parcel). The Landscape and Lighting Act of 1962 is designed to finance improvements generally related to parks, recreational and open-space areas and can also be used for annual operation and maintenance of these improvements.

These Acts authorize the issuance of bonds to finance facilities where a "special benefit" can be demonstrated. Thus, unlike the Mello Roos CFD, the assessment levied must be reasonably linked to the benefits received. For example, the boundaries of the assessment district are not required to be contiguous and improvements may be off-site, but all properties paying into the district must benefit from the improvements.

Property owners within an assessment district can be assessed to finance the cost of authorized improvements. For improvements whose cost exceeds the amount that could be raised from a single assessment, bonds can be issued and assessments levied in installments to repay bondholders. Special assessments bonds are debt obligations and not a tax (as in a Mello Roos); therefore, they are not subject to voter approval requirements nor the one percent maximum tax limitation.

This source of funding, though similar to Mello-Roos in terms of eligible activities, tends to be more limited in that the benefits have to be linked to costs. In addition, layering of districts is less attractive or desirable to bondholders as assessment district liens are priority liens (i.e., based on time of recording), thus, higher bond costs as well as different risks may be incurred.

- **General Obligation Bonds** - General obligation (or G.O.) bonds are backed by the full faith and credit and unlimited taxing power of the issuer. The bonds can also be additionally secured by revenues produced by facilities financed with the proceeds of the bonds. Voters approval by two-thirds majority is required for the issuance of the bonds and the levy of the ad valorem taxes on all taxable properties within the jurisdiction to pay the principal and interest due on the bonds.

General obligation bonds may be issued generally for the purpose of acquisition, construction or improvement of real property which benefits the community, e.g., city halls, public safety buildings, school facilities, parks, libraries, and public works projects, including street and road improvements; they may not be issued to finance ongoing maintenance and operation costs. As G.O. bonds constitute an "indebtedness" of certain issuers, they are subject to state constitutional and statutory debt limitations.

G.O. bonds are perceived by investors as the most secure type of municipal bond available and therefore are typically able to obtain the lowest yield. They are also the most efficient for long-term financing as no reserve funds or funded interest during construction are required. Costs of issuance are also lower because, compared to other alternatives, G.O. bonds are easier to structure.

However, the approval process, by two-thirds of the voters on a ballot measure, can be lengthy, costly, time-consuming and politically controversial vis-a-vis the perceived benefit to the community at large. For these reasons, this source of funds does not appear to be a good candidate for funding Specific Plan area improvements.

- Revenue Bonds - Generally, revenue bonds are bonds payable from a discreet source, such as revenues produced from an enterprise financed by the bonds. Examples include municipal power plants or systems, sewer systems, water systems, airports, hospitals or bridges. Revenues may be generated by service charges, connection fees, admission or tolls.

Revenue bonds are not subject to the constitutional debt limitation because they are not payable from the general fund of the issuer but from special funds, i.e., the enterprise revenue. However, depending on the specific statute under which the revenue bonds are issued, voter approval may be required prior to their issuance. Following are eligibility provisions for some of the revenue bond statutes:

- Revenue Bond Law of 1941 (water supply and distribution systems, garbage or refuse collection, treatment and disposal facilities/systems, sewage collection, parking facilities, ferries, airports, harbors, hospitals, golf courses, and electric energy generation and production or transmission projects. Majority voter approval required.)
- Sewer Revenue Bond Act of 1933 (sewage collection and treatment facilities. No voter approval unless 15% of property owners or registered voters petition for election.)
- Revenue Act of 1957 (counties — public golf courses, public beaches, public small boat harbors and ski areas, or incinerators.)

Charter cities may also adopt ordinances to issue revenue bonds for enterprises or facilities authorized (or not prohibited) by their charters. The use of revenue bonds for the Specific Plan area must be negotiated with the applicable service provider and, in some cases, approved by registered voters in the municipality. Thus, as with G.O. bonds, revenue bonds are a potential but not likely source of financing for the West Sacramento project in light of the current fiscal conservativeness of most local communities.

D. Redevelopment Agency

- **Tax Increment Revenues and Tax Allocation Bonds** - Tax increment revenues and tax allocation bonds have historically been the major funding mechanism used by redevelopment agencies to assist improvements in redevelopment project areas. It is widely used throughout the state. The West Sacramento Triangle Specific Plan area is within a redevelopment area and thus would be eligible for assistance under the tax allocation mechanism.

Generally, tax allocation bonds are issued by a redevelopment agency for any of its statutory purposes (i.e., redevelopment and the promotion of economic growth in blighted and economically depressed areas within its jurisdiction.) They may be used to finance redevelopment projects in a project area which produce a special benefit to the area and are essential to the implementation of the redevelopment plan. Eligible activities include land acquisition, land write-down, infrastructure improvements, financial assistance, and a wide range of improvements ranging from parking, plazas, parks, etc.

Bonds are payable from tax increment revenues which are the portion of ad valorem taxes on properties in the redevelopment project area in excess of the taxes assessed at the time of approval of the redevelopment plan for the area.

Tax allocation bonds can be structured as taxable or tax-exempt bonds. Tax exempt bonds must be for public improvements, where at least 95% of the proceeds fund typical government purposes and the bonds are repaid with general tax increment.

The major advantage of tax allocation bonds financing is the redevelopment agency's ability to leverage its annual tax increment revenue into a borrowing based on future tax increment dollars. Tax revenue funds have been most commonly used for land acquisition write-downs and public improvements. Under state legislation, however, at least 20% of the funds must be set aside for the development of affordable housing.

In the West Sacramento Triangle Plan area, tax increment funds and bond revenues could potentially be used for the acquisition of parks, open space, and rights-of-way. A series of bond issues could be issued as the tax increment revenues increase over the maturity of the project. The total amount of tax increment funds resulting from buildout of the Triangle area is included in the Fiscal Impact Analysis.

E. Criteria

In the current tight credit market, a combination of the four above modes of public financing is typically used for a project's capital/infrastructure improvements. Decisions regarding the specific source(s) of financing will depend on a number of factors. Some of the major considerations in selecting the financing mechanisms include the following:

- **Appropriateness** — The financing mechanisms should be selected based on the best match with the needs (i.e., for capital or operation) and the eligibility of the particular improvement item(s) to ensure the most likelihood of securing the funds.
- **Political Acceptability** — The financing mechanisms should be responsive to the concerns of the various participants in the process, e.g., the City (political and financial liability), landowners (security), existing and future residents/businesses (debt burden), developers (investment), etc.
- **Comprehensiveness** — The financing "package" should encourage a comprehensive and continuous development of the improvements. In other words, while fragmented improvements may be possible, they tend to lead to greater time and cost inefficiencies - as well as higher risk of incompleteness, i.e., as funds are unexpectedly depleted, withdrawn or reallocated to other work.
- **Timeliness** — The funds should be available as needed as projected by the construction schedule.
- **Least Cost** — The funding mechanisms with the least financing costs, i.e., tax exempt or municipal bonds, are typically the most desirable as they can result in substantial cost savings for the project.
- **Equity of Burden** — The debt burdens resulting from the financing mechanisms should be equitably borne by all those benefitting from the improvements and that they are allocated in proportion to their benefits.
- **Security** — The underlying security for the financing should be sound, such as land and improvements, and equitably distributed throughout the project so that no one/portion is unfairly burdened.

SECTION III — ABSORPTION, PHASING AND OVERALL PROCESS

This section summarizes the key assumptions and inputs with respect to absorption and potential initial development activity.

A. Absorption

Market absorption projections, or the rate at which the commercial/office space and residential units are assumed to be developed within the area, are the key underlying assumptions in any analysis of financing capability and revenue generation.

Residential

KMA conducted a Residential Market Analysis for the West Sacramento Triangle Area as one of the first products of the work program. This analysis identified the types of units capable of being marketed on the site, size, rent level and other factors along with the conditions necessary to be in place before marketing could commence. The concept and design phases of the Specific Plan development then set about to design a system of circulation improvements, parks and other enhancements that would transform the area in a manner that would enable marketing the units.

Assuming these improvements are implemented and once the project is established, KMA estimated that well conceived and executed projects could achieve an overall absorption level of 300 to 400 units per year over the development timeframe. The long term estimate takes into account what may be initial slow absorption, more rapid periods, and peaks and valleys due to the national or regional economy and other external causes of uneven performance.

The estimate is based on the assumption that at least two different residential products are being marketed at any one time, with rental projects leasing at a rate of 20 to 25 units per month and ownership units selling at 5 to 7 units per month. Two different products could mean two differentiated rental products in terms of rent range unit configuration, amenity offered, or location.

Absorption schedules for each year to the 2010 interim buildout time horizon were prepared for Program A and Program B. Assuming the first projects are under construction in 1994 and ready for occupancy in early 1995, sixteen years of unit absorption were projected. In both programs, the first year absorption was reduced to about 75% of the longer term average.

Program A — 3,000 units, or 200 units per year to 2007.

Program B — 5,000 units, or 350 units per year to 2009

Office

Office absorption was similarly projected based on market evaluations conducted by KMA. Assuming implementation of a circulation system and environmental transformation, as provided by the Specific Plan, absorption levels were projected at 200,000 to 275,000 square feet per year by KMA. The long term average is addressed recognizing that early years will be slower, and that the pace will be uneven throughout.

The market analysis also stresses that the phrase "absorption" is somewhat of a misnomer in this case. The phrase more aptly describes multi-tenant speculative space. In the Triangle area, it is generally agreed that the first phase occupants will be government agencies, probably the State. The projects will be single use build-to-suit type projects. In KMA's view, multi-tenant speculative space will not be a significant player until at least the first million square feet is established in the Triangle area.

The buildout projections for Programs A and B have been input into the various financing and fiscal models as indicated below. Program A at seven (7) million square feet is recognized as a possibility only if several very large, (a million square feet or more), government users elect to relocate facilities into the Triangle. The Specific Plan and EIR interim build out provides for this possible occurrence.

Program A — 7 million square feet built at 300,000 square feet per year plus 3 very large users in the 800,000 to 1 million square foot range occurring in dispersed intervals.

Program B — 3 million square feet built at approximately 200,000 square feet per year.

In both cases, the commercial or office is inclusive of ancillary retail space and perhaps other commercial uses. For the purposes of estimating sales tax revenue "pure retail" is estimated at 100,000 square feet in Program A added in three increments over the time period and 60,000 square feet in Program B also added in three increments. A more broad definition of retail will be referenced in the Specific Plan in regard to ground floor space. The broader definition will include print shops, travel agencies, and many quasi-office and service outlets that benefit from pedestrian traffic and generate street life, but do not produce retail sales in the same manner as "pure retail" such as restaurants and stores.

In addition to office and retail, it is very much consistent with the Specific Plan to develop hotel units within the Triangle Area. Although market support for hotels appear more remote at this time, a hotel has been included as a potential future commercial use in our projection.

B. Initial Development Potential

The KMA Residential Market Analysis provided a specific set of recommendations for the initial development. A key conclusion of the analysis and study of comparable pioneering projects was that a critical mass of 1,200 units would be necessary to create a sense of residential community and fully establish the area. Ideally, the initial units would probably be on the waterfront to capitalize on the Triangle's greatest asset. Units could extend into the interior portions of the area, drawing the higher waterfront values back into the property.

The initial office project is somewhat different in that size and location within the Triangle will be contingent upon a single governmental user, its needs, and the deal that is negotiated. By contrast, the success of the residential will be contingent upon convincing 1200 households to live in the Triangle area. The starter office project, since it will probably be a single user, likely governmental, could therefore be located anywhere the infrastructure can service.

C. Location of Initial Development/Constraints Map

The Triangle Area is currently in 31 different ownerships and it is the goal of the Specific Plan to allow each property owner to proceed with development when the owner chooses. As indicated in the Cost Analysis however, there are a number of costs associated with accommodating development in the Triangle. Some of the properties in the Triangle have sufficient infrastructure to proceed almost immediately, others have more substantial infrastructure or other constraints to be resolved.

To illustrate the types and levels of constraints facing development of the Triangle, a composite listing of identified constraints has been prepared. This listing groups the identified constraints into categories to indicate whether the responsibility for resolution of such constraints is to be part of a citywide improvement; Triangle-wide (or portion thereof) improvement; or parcel specific improvement. The listing of identified development constraints is as follows:

Citywide:

- At-grade Intersections on SR 275
- Construction of Waterfront Improvements

Triangle-Wide:

- Specific Plan Approval
- Realignment of Business 80 Off-Ramp
- Installation of Park Block Landscape Improvements
- Improvement/Construction of Major Street
- Construction/Relocation of At-Grade Railroad Crossings

Parcel Specific:

- Parcel Reconfiguration
- Right-of-Way Dedications
- Relocation of Petroleum Pipeline
- Removal of Obsolete Rail Lines
- Toxic and Petroleum Remediation
- Business Relocations
- Extension of Public Utilities
- Construction of Minor Streets

The RGA Edge area has a low level of infrastructure improvements to be provided and has a strong potential for early development. The area along the Waterfront also has a modest level of constraints, but has the strongest environment for initiating development from a market perspective. The northern portions of the Triangle also are strong candidates from a market perspective because they can benefit from the Raley's Landing project which is expected to proceed before any of the Triangle area.

There is a direct relationship between such sequencing of development and the extent of public infrastructure/utility costs necessary to serve such development. If a property with a greater level of constraints proceeds with development prior to that of a property in an area with a lesser extent of constraints, there will probably be greater costs to serve such development with water, sewer and the drainage system. For example if the northeast corner is developed first, the sewer and water lines will need to be extended to the area. Nolte Associates, Civil Engineers, have provided estimates of water, sewer and drainage costs, assuming each of the Specific Plan Subarea initiates development prior to the other Subareas. These costs are:

Table 4
Infrastructure Costs Assuming Development is Initiated in the Subarea
West Sacramento Triangle Specific Plan

Infrastructure Component	NEIGHBORHOOD AREA				
	RGA <u>Edge</u>	Waterfront <u>Edge</u>	Core <u>Area</u>	Park <u>Blocks</u>	Parkway <u>Edge</u>
Water	\$121,000	\$540,000	\$351,000	\$760,000	\$600,000
Sewer ¹	382,000	626,000	562,000	512,000	522,000
Drainage	540,000	1,140,000	796,000	1,324,000	921,000
Petroleum Pipeline Relocation	<u>172,000</u>	<u>172,000</u>	<u>172,000</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$1,215,000</u>	<u>\$2,478,000</u>	<u>\$1,881,000</u>	<u>\$2,596,000</u>	<u>\$2,043,000</u>

Source: Nolte Associates, Civil Engineers

¹ Does not include pump station or treatment costs.

SECTION IV. - LAND VALUES, PRIVATE SECTOR COST BURDEN, AND MELLO ROOS/SPECIAL ASSESSMENT DISTRICT FINANCING CAPABILITY

This section provides preliminary land value estimates for the Triangle Specific Plan area, adjusted for location, land dedications, environmental upgrades and infrastructure improvements. It also includes an illustrative proforma (by product type) of the land and infrastructure cost burden supportable by the private sector, and an initial evaluation of the financing capability available to the project under a Mello-Roos CFD, Special Assessment District, and/or similar financing mechanisms.

A. Value Basis for Estimating Mello Roos/Assessment District Financing Capacity

Table 5 represents one method of determining the basis for estimating the Mello Roos/Special Assessment District financing capacity. The methodology is to use the estimated current value of the land, adjusted for site preparation, dedications and infrastructure and enhancement costs to arrive at the estimated values for improved land. These values are then compared with those arrived at through a proforma analysis, as shown on Tables 6 to 8 discussed in the next section.

For purposes of illustration, land value ranges have been estimated to reflect the locational characteristics of three different general areas within the Triangle: the Waterfront, Mid-Area and Northwest Area. The Waterfront area is assumed to have higher land values due to its proximity to water amenities; whereas the Northwest Areas assumed to transact at a lower value due to its interior location.

As shown, current transaction values range from \$6 to \$12 per square foot for land in the Waterfront area to \$4 to \$6 per square foot for land in the Northwest Area, with the average in the \$6 to \$8 per square foot range. These values are adjusted for site preparation (e.g., demolition, clean-up, relocation, etc.) and for land dedications (e.g., street rights-of-way, parks, etc.), resulting in net adjusted land values initially of \$19 to \$24 per square foot for the Waterfront, \$12 to \$15 per square foot for the Mid-Area, and \$9 to \$12 per square foot for the Northwest area.

Assuming that a single phase infrastructure and enhancement improvements are in place, the net adjusted land values are estimated to increase by about \$12 to \$14 per square foot, based on the cost of the improvements estimated in Table 1. The value of improved land is therefore estimated to range anywhere from about \$21 to \$38 per square foot, depending on its location within the Triangle.

B. Private Sector Cost Burden Capability

KMA prepared a preliminary proforma for a prototypical office project (of 300,000 square feet in the Waterfront area) and for two residential projects (of 250 units each in the Waterfront area and in the Interior) to estimate the amount of land and infrastructure costs (including fees) which could potentially be supported by the development. The proformas include a projection of development costs, net operating income, and value of the development upon completion, as shown on Tables 6, 7 and 8.

Based on the proforma analysis, KMA estimates that, on the high end, office development in the Waterfront area can potentially support approximately \$44 per land square foot for land and infrastructure costs (including fees). Office development in the Interior is likely to be much lower. The \$44 supportable cost burden is premised on the development being able to achieve a FAR (Floor to Area Ratio) of 3.2:1, which is projected at build out. It should be noted that, in order to prepare this preliminary financing analysis, KMA has used the build out commercial/office and residential densities indicated in the EIR. However, we do not foresee these densities being achieved in the near to mid term future. Thus, if development has not yet reached build out and/or if residential is built first, then commercial/office land within the Triangle may not achieve the \$44 per square foot value estimated.

For residential development within the Triangle, the supportable land and infrastructure costs (including fees) are estimated to be in the range of \$21 per square foot of land in the Waterfront area and about \$11 per square foot of land in the Interior. These values are derived based on a residential density of 60 dwelling units per acre, which is projected at build out. Thus if development is less than build out, the values may be lower than those projected in the proforma.

Assuming roughly a 50/50 mix of office and residential development in the Triangle Specific Plan Area, the average land and infrastructure cost burden which can be supported would be in the \$20 to \$35 range, which is within the values estimated for improved land as shown on Table 5.

C. Mello Roos Community Facility District/Special Assessment District Financing Capability

As described in Section II, common mechanisms used to finance project infrastructure improvements are the Mello Roos Community Facilities District, the Special Assessment District, or a combination of the two. In essence, these districts permit bonds to be issued to pay for project improvements, with debt serviced through the levy of a special tax or assessments on a property.

KMA evaluated the financial capacity of these mechanisms based on the improved land values projected for commercial/office and residential uses in the Triangle area, the build out of the development program, and the amount of lien supportable. The amount of lien supportable is estimated based on a 4:1 lien to value ratio (or the amount of lien not to exceed 1/4 the estimated land value of the project). In the current market, the 4:1 ratio appears to be the minimum required by most underwriters for the issuance of Mello Roos CFD or assessment district bonds.

Assuming full build out under three different scenarios: Program A and Program B, (as described in the EIR), and also the Lower Range Scenario (as described in the Fiscal Impact Analysis), the development is estimated to have the overall capability to support financing in the range of \$15 million to \$35 million, as shown on Tables 9a and 9b.

TABLE 5
WEST SACRAMENTO TRIANGLE AREA
MELLO ROOS/SPECIAL ASSESSMENT DISTRICT VALUE CALCULATION WORKSHEET

In 1992 Dollars

The following represent one method of determining the basis for estimating the Mello Roos/Special Assessment District financing capacity. The methodology is to use the estimated current value of the land adjusted for site preparation, dedications and infrastructures and enhancement costs to arrive at estimated values for improved land. These values are then compared with those arrived at through a proforma analysis, as shown on Tables 6 to 8 following this worksheet.

	<u>Waterfront</u>	<u>Mid-Area</u>	<u>Northwest Area</u>
1. Current Transaction Values	\$12-\$ 6	\$ 8-\$ 6	\$ 4-\$ 6
2. Adjustment for site preparation including demolition, clean-up, railroad relocation, etc.	<u>1- 4</u>	<u>2- 6</u>	<u>2- 3</u>
3. Sum of 1 & 2	\$13-\$16	\$ 8-\$10	\$ 6-\$ 8
4. Adjust for ROW & Parks dedications (i.e., value per sq.ft. net area) @ 33% dedication	\$19-\$24	\$12-\$15	\$ 9-\$12

ILLUSTRATIVE SINGLE PHASE IMPROVEMENT

	<u>Waterfront</u>	<u>Mid-Area</u>	<u>Northwest Area</u>
Infrastructure and Enhancements ¹	\$12-\$14	\$12-\$14	\$12-\$14
(1992 dollars)	\$31-\$38	\$26-\$29	\$21-\$26

¹ \$51.0 M (from Cost Summary Table 1) = \$13.20 per sq.ft. on 88.5 acres or \$11.50 per sq.ft. on 102 acres. Average indicated; costs will not be evenly spread among all areas and parcel groups. Excludes financing costs.

TABLE 6a. - WATERFRONT OFFICE
 WEST SACRAMENTO TRIANGLE SPECIFIC PLAN
 WEST SACRAMENTO, CALIFORNIA
 ESTIMATED DEVELOPMENT COSTS

 PROTOTYPICAL - 300,000 SF MODULE

				\$1994 TOTAL	\$1994 PER NET BSF
				-----	-----
DIRECT					
BUILDING SHELL	300,000	SF	\$55 / SF	\$16,500,000	\$55.00
TENANT IMPROVEMENTS	300,000	SF	\$20 / SF	6,000,000	20.00
PARKING	900	SPACES	\$750 / SP	675,000	2.25
LANDSCAPING	150,000	SF LAND (est.)	\$0.50 / SF LAND	75,000	0.25
SITework	150,000	SF LAND (est.)	\$0.55 / SF LAND	82,500	0.28
				-----	-----
TOTAL DIRECT COSTS				\$23,333,000	\$77.78
INDIRECT					
PREDEVELOPMENT	0.50%	DIRECT COSTS		\$116,665	\$0.39
ARCH. & ENGINEERING, PERMITS	6.00%	DIRECT COSTS		1,399,980	4.67
INTEREST DURING CONSTRUCTION					
SITE				16,000	0.05
OFFICE				1,536,000	5.12
PARKING				44,000	0.15
FINANCING FEES	2.00%	POINTS		607,000	2.02
LEGAL/CLOSING	1.00%	DIRECT COSTS		233,330	0.78
MARKETING/PROMOTION	\$7.00	ALLOWANCE		2,100,000	7.00
LEASING FEES					
5-YEAR TENANTS	0.00%	GEI		0	0.00
10-YEAR TENANTS	0.00%	GEI		0	0.00
TAXES/INSURANCE	1.50%	DIRECT COSTS		349,995	1.17
DEVELOPMENT MANAGEMENT	2.00%	DIRECT COSTS		466,660	1.56
CONTINGENCY	5.00%	DIRECT COSTS - TEN IMPRS		867,000	2.89
NEGATIVE CASH FLOW/INCOME		FIRST 2 YRS. OF OPERATION		3,765,330	12.55
				-----	-----
TOTAL INDIRECT COSTS				\$11,502,000	\$38.34
TOTAL DEVELOPMENT COSTS				\$34,835,000	\$116.12

SCHEDULE 6B. - WATERFRONT OFFICE
 WEST SACRAMENTO TRIANGLE SPECIFIC PLAN
 WEST SACRAMENTO, CALIFORNIA
 ESTIMATED NET INCOME

PROTOTYPICAL - 300,000 SF MODULE			\$1995 TOTAL	\$1995 PER NET BSF
GROSS INCOME				
OFFICE				
5-YEAR TENANT	150,000 SF	\$22.50 /SF	\$3,375,000	\$11.25
10-YEAR TENANT	150,000 SF	\$20.50 /SF	3,075,000	10.25
PARKING				
GENERAL OFFICE	0 SPACES	\$60 /SPACE	0	0.00
RESERVED	0 SPACES	\$0 /SPACE	0	0.00
TRANSIENT	0 SPACES	\$0 /SPACE	0	0.00
GROSS INCOME			\$6,450,000	\$21.50
LESS) VACANCY & COLLECTION	5.00% GROSS INCOME		322,500	1.08
GROSS EFFECTIVE INCOME			\$6,127,500	\$20.42
OPERATING EXPENSES				
5-YEAR TENANT	150,000 SF	\$5.75 /SF	\$862,500	\$2.88
10-YEAR TENANT	150,000 SF	\$5.00 /SF	750,000	2.50
MANAGEMENT	3.00% GEI		183,825	0.61
TOTAL EXPENSES			\$1,796,325	\$5.99
NET OPERATING INCOME			\$4,331,175	\$14.44

WORKSHEET B.
 CALCULATION OF WATER CAPACITY FEES
 WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

COMMERCIAL 12" @ ??
 16" @ ??

RESIDENTIAL @ \$1,391/du for SF, est. @ 32.14%
 PRIVATE FIRE @ \$1,357/tap
 PROTECTION

PROGRAM A	COMMERCIAL			RESIDENTIAL			TOTAL COMMERCIAL & RESIDENTIAL
	LIN. FT.	FEE	TOTAL	NO. UNITS	FEE	TOTAL	
RGH				300	\$447	\$134,120	\$134,120
Waterfront				400	\$447	178,827	178,827
Core				400	\$447	178,827	178,827
Park Blocks				500	\$447	223,534	223,534
Parkway Edge				1,400	\$447	625,894	625,894
Total			??	3,000	\$447	\$1,341,202	\$1,341,202

TOTAL (Excl. Commercial) \$1,341,202

PROGRAM B	COMMERCIAL			RESIDENTIAL			TOTAL COMMERCIAL & RESIDENTIAL
	LIN. FT.	FEE	TOTAL	NO. UNITS	FEE	TOTAL	
RGH				750	\$447	\$335,301	\$335,301
Waterfront				1,450	\$447	648,248	648,248
Core				500	\$447	223,534	223,534
Park Blocks				620	\$447	277,182	277,182
Parkway Edge				1,680	\$447	751,073	751,073
Total			??	5,000	\$447	\$2,235,337	\$2,235,337

TOTAL (Excl. Commercial) \$2,235,337

AVERAGE PROGRAM A AND B \$1,788,270

FILE 7a. - RESIDENTIAL
 T SACRAMENTO TRIANGLE SPECIFIC PLAN
 T SACRAMENTO, CALIFORNIA
 ESTIMATED DEVELOPMENT COSTS

PROTOTYPICAL - 250-UNIT MODULE (WATERFRONT UNITS)

				\$1994 TOTAL	\$1994 PER UNIT	\$1994 PER NET BSF
				-----	-----	-----
DIRECT COSTS:						
BUILDING SHELL	206,125 SF	\$60.00 /SF		\$12,368,000	\$49,472	\$60.00
TENANT IMPROVEMENTS	(Included in Shell)	\$0.00 /SF		0	0	0.00
SURFACE PARKING	0 SF	\$1,500 /SPACE		0	0	0.00
STRUCTURE/SUB PARKING	358 SF	\$6,700 /SPACE		2,399,000	9,596	11.64
LANDSCAPING	250 DU	\$1,000 /DU		250,000	1,000	1.21
PIPEWORK	250 DU	\$500 /DU		125,000	500	0.61
				-----	-----	-----
TOTAL DIRECT COSTS				\$15,142,000	\$60,568	\$73.46
INDIRECT COSTS:						
DEVELOPMENT FEES	0.50% DIRECT COSTS			\$76,000	\$304	\$0.37
ARCH. & ENGINEERING	6.00% DIRECT COSTS			909,000	3,636	4.41
INTEREST DURING CONSTRUCTION						
SITE				38,000	152	0.18
BUILDING				844,000	3,376	4.09
PARKING				157,000	628	0.76
FINANCING FEES	2.00% POINTS			394,000	1,576	1.91
LEGAL/CLOSING	2.00% DIRECT COSTS			303,000	1,212	1.47
MARKETING/LEASING	\$1,000 PER DU ALLOWANCE			250,000	1,000	1.21
TAXES & INSURANCE	1.50% DIRECT COSTS			227,000	908	1.10
DEVELOPMENT MANAGEMENT	2.00% DIRECT COSTS			303,000	1,212	1.47
CONTINGENCY	5.00% DIRECT COSTS - TEN IMPRS			757,000	3,028	3.67
NEGATIVE CASH FLOW/INCOME				79,873	319	0.39
				-----	-----	-----
TOTAL INDIRECT COSTS				\$4,337,873	\$17,351	\$21.04
TOTAL DEVELOPMENT COSTS				\$19,479,873	\$77,919	\$94.51
BEFORE LAND AND INFRASTRUCTURE						

TABLE 7b. - RESIDENTIAL
 WEST SACRAMENTO TRIANGLE SPECIFIC PLAN
 WEST SACRAMENTO, CALIFORNIA
 ESTIMATED NET INCOME (STABILIZED)

 PROTOTYPICAL - 250-UNIT MODULE (WATERFRONT UNITS)

			\$1995 TOTAL	\$1995 PER UNIT	\$1995 PER NET

INCOME:					
RENTALS					
STUDIOS	18 UNITS	\$750 / MONTH	\$157,500	\$630	\$
1-BEDROOM	125 UNITS	\$925 / MONTH	1,387,500	5,550	
2-BEDROOM	108 UNITS	\$1,150 / MONTH	1,483,500	5,934	
LAUNDRY	250 UNITS	\$20.00 / UNIT	60,000	240	
			-----	-----	-----
GROSS INCOME			\$3,088,500	\$12,354	\$1
(LESS) VACANCY AND BAD DEBT	5.00% RENTAL INCOME		154,400	618	
			-----	-----	-----
GROSS EFFECTIVE INCOME			\$2,934,100	\$11,736	\$1
(LESS) EXPENSES	206,125 SF	\$4.25 /SF	876,000	3,504	
			-----	-----	-----
NET INCOME BEFORE DEBT SERVICE			\$2,058,100	\$8,232	\$
			=====	=====	=====

VALUE UPON COMPLETION			
		TOTAL	PER UNIT PER NET BSF
T INCOME BEFORE DEBT SERVICE		\$2,058,100	\$8,232 \$9.98
PITLIZED VALUE	7.5%	27,441,333	109,765 133.13
ESS) DEVELOPMENT COSTS		(19,479,873)	(77,919) (94.51)
ESS) COST OF SALE	3.0% OF SALES PRICE	(823,240)	(3,293) (3.99)
ESS) DEVELOPER PROFIT	10.5% OF SALES PRICE	(2,881,340)	(11,525) (13.98)
AVAILABLE FOR LAND, INFRASTRUCTURE AND CARRY (INCL. FEES)		\$4,256,880	\$17,028 \$20.65
ESS) CARRY COSTS		(383,119)	(1,532) (1.86)
T AVAILABLE FOR LAND AND INFRASTRUCTURE (INCL. FEES)		\$3,873,761	\$15,495 \$18.79
PER SF LAND (@ 60 Du/Ac.)	181,500 SF LAND	\$21.34	
PER UNIT	250 UNITS	\$15,495	
PER SF RESIDENTIAL AREA	206,125 NET BSF	\$18.79	

RETURN TO EQUITY			
		TOTAL	PER UNIT PER NET BSF
T INCOME BEFORE DEBT SERVICE		\$2,058,100	\$8,232 \$9.98
AVAILABLE FOR DEBT SERVICE	1.10 COVERAGE	1,871,000	7,484 9.08
T INCOME AFTER DEBT SERVICE		187,100	748 0.91
MAXIMUM DEBT	9.7% DEBT CONSTANT	\$19,377,614	\$77,510 \$94.01
WARRANTED INVESTMENT			
DEBT		19,377,614	77,510 94.01
EQUITY	9.5% RETURN	1,969,474	7,878 9.55
TOTAL WARRANTED INVESTMENT		21,347,088	85,388 103.56
AVAILABLE FOR LAND, INFRASTRUCTURE AND CARRY (INCL. FEES)		21,347,088	85,388 103.56
WARRANTED INVESTMENT		(19,479,873)	(77,919) (94.51)
(LESS) DEVELOPMENT COSTS		(383,119)	(1,532) (1.86)
(LESS) CARRY COSTS			
ET AVAILABLE FOR LAND AND INFRASTRUCTURE (INCL. FEES)		1,484,096	\$5,936 \$7.20
PER SF LAND (@ 60 Du/Ac.)	181,500 SF LAND	\$8.18	
PER UNIT	250 UNITS	\$5,936	
PER SF RESIDENTIAL AREA	206,125 NET BSF	\$7.20	

TABLE 8a. - RESIDENTIAL
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN
WEST SACRAMENTO, CALIFORNIA
ESTIMATED DEVELOPMENT COSTS

PROTOTYPICAL - 250-UNIT MODULE (INTERIOR UNITS)

			\$1994 TOTAL	\$1994 PER UNIT	\$1994 PER NET
			-----	-----	-----
DIRECT COSTS:					
BUILDING SHELL	206,125 SF	\$52.00 /SF	\$10,719,000	\$42,876	\$52,876
TENANT IMPROVEMENTS	(Included in Shell)	\$0.00 /SF	0	0	0
SURFACE PARKING	0 SF	\$1,500 /SPACE	0	0	0
STRUCTURE/SUB PARKING	358 SF	\$6,700 /SPACE	2,399,000	9,596	11,596
LANDSCAPING	250 DU	\$1,000 /DU	250,000	1,000	1,000
SITEWORK	250 DU	\$500 /DU	125,000	500	0
			-----	-----	-----
TOTAL DIRECT COSTS			\$13,493,000	\$53,972	\$65,972
INDIRECT COSTS:					
DEVELOPMENT FEES	0.50% DIRECT COSTS		\$67,000	\$268	\$0
ARCH. & ENGINEERING	6.00% DIRECT COSTS		810,000	3,240	3,240
INTEREST DURING CONSTRUCTION					
SITE			38,000	152	0
BUILDING			732,000	2,928	3,240
PARKING			157,000	628	0
FINANCING FEES	2.00% POINTS		351,000	1,404	1,404
LEGAL/CLOSING	2.00% DIRECT COSTS		270,000	1,080	1,080
MARKETING/LEASING	\$1,000 PER DU ALLOWANCE		250,000	1,000	1,000
TAXES & INSURANCE	1.50% DIRECT COSTS		202,000	808	0
DEVELOPMENT MANAGEMENT	2.00% DIRECT COSTS		270,000	1,080	1,080
CONTINGENCY	5.00% DIRECT COSTS - TEN IMPRS		675,000	2,700	3,240
NEGATIVE CASH FLOW/INCOME			210,091	840	1,080
			-----	-----	-----
TOTAL INDIRECT COSTS			\$4,032,091	\$16,128	\$19,128
TOTAL DEVELOPMENT COSTS			\$17,525,091	\$70,100	\$85,100
BEFORE LAND AND INFRASTRUCTURE					

BLE 8b. - RESIDENTIAL
 ST SACRAMENTO TRIANGLE SPECIFIC PLAN
 ST SACRAMENTO, CALIFORNIA
 TIMATED NET INCOME (STABILIZED)

OTOTYPICAL - 250-UNIT MODULE (INTERIOR UNITS)

			\$1995 TOTAL	\$1995 PER UNIT	\$1995 PER NET BSF
			-----	-----	-----
COME:					
NTALS					
STUDIOS	18 UNITS	\$690 / MONTH	\$144,900	\$580	\$1.01
1-BEDROOM	125 UNITS	\$780 / MONTH	1,170,000	4,680	5.68
2-BEDROOM	108 UNITS	\$975 / MONTH	1,257,800	5,031	6.10
UNDY	250 UNITS	\$20.00 / UNIT	60,000	240	0.29
			-----	-----	-----
ROSS INCOME			\$2,632,700	\$10,531	\$13.08
ESS) VACANCY AND BAD DEBT	5.00% RENTAL INCOME		131,600	526	0.64
			-----	-----	-----
ROSS EFFECTIVE INCOME			\$2,501,100	\$10,004	\$12.13
ESS) EXPENSES	206,125 SF	\$3.85 /SF	793,600	3,174	3.85
			-----	-----	-----
T INCOME BEFORE DEBT SERVICE			\$1,707,500	\$6,830	\$8.28
			=====	=====	=====

TABLE 8c. - RESIDENTIAL
RESIDUAL LAND AND INFRASTRUCTURE VALUE
WEST SACRAMENTO, CALIFORNIA

VALUE UPON COMPLETION			TOTAL	PER UNIT	PER NET
NET INCOME BEFORE DEBT SERVICE			\$1,707,500	\$6,830	\$8
CAPITLIZED VALUE	7.5%		22,766,667	91,067	110
(LESS) DEVELOPMENT COSTS			(17,525,091)	(70,100)	(85)
(LESS) COST OF SALE	3.0% OF SALES PRICE		(683,000)	(2,732)	(3)
(LESS) DEVELOPER PROFIT	10.5% OF SALES PRICE		(2,390,500)	(9,562)	(11)
AVAILABLE FOR LAND, INFRASTRUCTURE AND CARRY (INCL. FEES)			\$2,168,076	\$8,672	\$10
(LESS) CARRY COSTS			(195,127)	(781)	(0)
NET AVAILABLE FOR LAND AND INFRASTRUCTURE (INCL. FEES)			\$1,972,949	\$7,892	\$9
PER SF LAND (@ 60/Du/Ac.)	181,500	SF LAND	\$10.87		
PER UNIT	250	UNITS	\$7,892		
PER SF RESIDENTIAL AREA	206,125	NET BSF	\$9.57		
RETURN TO EQUITY			TOTAL	PER UNIT	PER NET
NET INCOME BEFORE DEBT SERVICE			\$1,707,500	\$6,830	\$8
AVAILABLE FOR DEBT SERVICE	1.10	COVERAGE	1,552,273	6,209	7
NET INCOME AFTER DEBT SERVICE			155,227	621	0
MAXIMUM DEBT	9.7%	DEBT CONSTANT	\$16,076,613	\$64,306	\$77
WARRANTED INVESTMENT					
DEBT			16,076,613	64,306	77
EQUITY	9.5%	RETURN	1,633,971	6,536	7
TOTAL WARRANTED INVESTMENT			17,710,584	70,842	85
AVAILABLE FOR LAND, INFRASTRUCTURE AND CARRY (INCL. FEES)			17,710,584	70,842	85
WARRANTED INVESTMENT			(17,525,091)	(70,100)	(85)
(LESS) DEVELOPMENT COSTS			(195,127)	(781)	(0)
(LESS) CARRY COSTS					
NET AVAILABLE FOR LAND AND INFRASTRUCTURE (INCL. FEES)			(9,634)	(\$39)	(\$0)
PER SF LAND (@ 60/Du/Ac.)	181,500	SF LAND	(\$0.05)		
PER UNIT	250	UNITS	(\$39)		
PER SF RESIDENTIAL AREA	206,125	NET BSF	(\$0.05)		

TABLE 9a.
WEST SACRAMENTO TRIANGLE AREA
ESTIMATED MELLO ROOS/SPECIAL ASSESSMENT DISTRICT FINANCING CAPACITY

Land Value Assumptions - EIR Buildouts

Commercial/Office	\$30-\$50/sq.ft.
Residential	\$10-\$25/sq.ft.

Program A

7 M sq.ft. office @ 3.2 FAR ¹ =	50.0 Acres 50%
3,000 Du. @ 60 Du./Acre ¹ =	<u>50.0 Acres 50%</u>
	100.0 Acres
Land Value Range (Based on 50%-50% mix)	\$20-\$35/sq.ft.
Value for Total Area 100 Acres = 4.36 M sq.ft.	\$87 M-\$150 M
Lien supported @ 4:1 ratio	\$22 M-\$38 M
or say	\$20 M-\$35 M

Program B

3 M sq.ft. office @ 3 FAR ¹ =	22.5 Acres 25%
5,000 Du. @ 75 Du./Acre ¹ =	<u>66.0 Acres 75%</u>
	88.5 Acres
Land Value Range (Based on 25%-75% mix)	\$15 M-\$32 M
Value for Total Area 88.5 Acres = 3.86 M sq.ft.	\$58 M-\$ 123 M
Lien supported @ 4:1 ratio	\$14.5 M-\$31 M
or say	\$15 M-\$30 M

Summary - Land Value Approach	\$15 M-\$35 M
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¹ For illustrative purposes, KMA has used the commercial/office and residential build out densities indicated in the EIR. However, we do not foresee these densities being achieved in the near or mid term future. Thus, if development has not yet reached build out and/or if residential is built first, then land values within the Triangle will likely be less than those estimated for build out above.

TABLE 9b.
WEST SACRAMENTO TRIANGLE AREA
ESTIMATED MELLO ROOS/SPECIAL ASSESSMENT DISTRICT FINANCING CAPACITY

Land Value Assumptions - Lower Range Scenario

Commercial/Office	\$30-\$50/sq.ft.
Residential	\$10-\$25/sq.ft.

Lower Range Scenario

3 M sq.ft. office @ 2.0 FAR ¹ =	34.4 Acres 40%
2,700 Du. @ 50 Du./Acre ¹ =	<u>54.0 Acres 60%</u>
	88.4 Acres
Land Value Range (Based on 40%-60% mix)	\$18-\$35/sq.ft.
Value for Total Area 88.4 Acres = 3.85 M sq.ft.	\$69 M-\$135 M
Lien supported @ 4:1 ratio	\$17 M-\$34 M
or say	\$15 M-\$35 M

Summary - Land Value Approach	\$15 M-\$35 M
--------------------------------------	----------------------

¹ For illustrative purposes, KMA has used the commercial/office and residential build out densities indicated in the EIR. However, we do not foresee these densities being achieved in the near or mid term future. Thus, if development has not yet reached build out and/or if residential is built first, then land values within the Triangle will likely be less than those estimated for build out above.

SECTION V. SUMMARY OF OPERATION AND MAINTENANCE COSTS, AND REVENUE/FINANCING SOURCES

Operation and maintenance (O&M) represent the fourth category of project cost. O&M costs include all costs created by the Specific Plan development on the City and other public service providers as a result of servicing the demands of the project's new residents and employees. Typically, they include incremental one-time capital expenditures, such as for vehicles and furnishings, and recurring costs, such as for personnel, operation and maintenance. A projection of the annual O&M costs over a 20-year period is presented in the Fiscal Impact Analysis separately prepared by KMA. No infrastructure or enhancement costs are included in the Fiscal Impact Analysis for the project as these are addressed separately in the Financing Plan (or Section I of this document.)

A summary of the O&M costs, based on the Fiscal Impact Analysis, for Programs A and B is shown on Table 10. The total present value of the cumulative service costs for the Plaza, Planted Buffer Areas, General Fund Operation & Capital Expenses, Road Fund Expenses and Transit Fund Expenses is estimated at approximately \$48 million for Program A and \$58 million for Program B. The higher O&M expense for Program B is due mostly to the higher fire and police service demand created by the additional 2,000 residential units proposed in Program B.

Table 11 illustrates the deficiency between the projected O&M costs and General Fund plus other public sources of revenue to defray these City costs. This deficiency is created as a result of the properties' location within a redevelopment district. Redevelopment designation results in diversion of property tax increment above the base year of 1984-85 to the City's Redevelopment Fund. As the table indicates, if redevelopment increment were available to fund O&M costs for the project, a very substantial surplus would result. As shown, all tax sources are estimated to total roughly \$167 million under Program A and \$119 million under Program B. After deduction for the projected O&M costs, the net positive fiscal impact is approximately in the range of \$131 million for Program A and \$75 million for Program B.

The revenue sources which will be available to offset projected O&M costs for the project include the City's General Fund revenues, Other Funds (such as Road and Transit funds) and the City's share of the frozen (pre-development) 1984-85 property tax base. General Fund revenues include incremental service charges, intergovernmental subventions, sales tax revenues, fines and forfeitures, transient occupancy taxes, franchise taxes, interest earnings and transfer taxes generated by the proposed development (business license taxes have been excluded because they are relatively insignificant). A separate Road Fund has been established by the City to provide for the maintenance of the City's roadways; the sources for the fund include licenses and permit fees and intergovernmental subventions. The Transit Fund is administered by SACOG, with 1/4 of 1% of the sales tax revenues generated within Yolo County.

An anticipated source of funding for projected O&M costs is a Lighting and Landscaping or Mello Roos District to be levied on finished projects. The timing, size and characteristics of these district will be determined on a project specific basis in the context of Development Agreements negotiated between the City and individual property owners.

TABLE 10.
PRELIMINARY PRESENT VALUE ESTIMATE OF SERVICE COSTS (1)
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

PROGRAM A - In 1992 Dollars

PROGRAM A	TOTAL	PORTION ATTRIBUTABLE TO PLAN	
OPERATION AND MAINTENANCE COSTS (Present Value)			
Plaza (@ \$.75/sf/yr., 8.93 ac.)	\$9,941,800	100%	\$9,941,800
Planted Buffer Area (@ \$.15/sf/yr., 11.52 ac.)	2,565,051	100%	2,565,051
Total General Fund Operation & Capital Expenses	33,500,000	100%	33,500,000
Total Road Fund Expenses	764,000	100%	764,000
Total Transit Fund Expenses	1,093,000	100%	1,093,000
TOTAL OPERATION AND MAINTENANCE COSTS	\$47,863,851		\$47,863,851

PROGRAM B			
OPERATION AND MAINTENANCE COSTS (Present Value)			
Plaza (@ \$.75/sf/yr., 7.94 ac.)	\$9,941,800	100%	\$9,941,800
Planted Buffer Area (@ \$.15/sf/yr., 11.52 ac.)	2,565,051	100%	2,565,051
Total General Fund Operation & Capital Expenses	42,500,000	100%	42,500,000
Total Road Fund Expenses	764,000	100%	764,000
Total Transit Fund Expenses	1,747,000	100%	1,747,000
TOTAL OPERATION & MAINTENANCE COSTS	\$57,517,851		\$57,517,851

(1) The "present value" represents the estimated stream of service costs incurred over the life of the project, discounted at 8% per year and expressed here as an aggregate total in 1992 dollars.

TABLE 11
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN
FISCAL AND REDEVELOPMENT SUMMARY

	<u>REVENUE</u>	<u>COSTS</u>	<u>NET</u>
Program A			
General Fund	\$19 M (Max)	\$34 M	(\$15 M) ±
Other Funds (i.e., Road & Transit)	\$3 M	\$2 M	\$1 M ±
Frozen Property Tax Base (at 51%)	<u>\$3 M</u>	<u>---</u>	<u>\$3 M ±</u>
Subtotal	\$25 M	\$36 M	(\$11 M) ±
Redevelopment Tax Increment			
Excludes 20% Setaside	\$110 M	--	\$110 M ±
Additional 20% Setaside	<u>\$ 32 M</u>	--	<u>\$32 M ±</u>
Subtotal	\$142 M	--	\$142 M ±
TOTALS	\$167 M	\$36 M	\$131 M ±
Program B			
General Fund	\$16 M (Max)	\$42 M	(\$26 M) ±
Other Funds (i.e., Road & Transit)	\$4 M	\$2 M	\$2 M ±
Frozen Property Tax Base (@ 51%)	<u>\$3 M</u>	<u>---</u>	<u>\$3 M ±</u>
Subtotal	\$23 M	\$44 M	(\$21 M ±)
Redevelopment Tax Increment			
Excludes 20% Setaside	\$74 M	--	\$74 M
Additional 20% Setaside	<u>\$22 M</u>	--	<u>\$22 M</u>
Subtotal	\$96 M	--	\$96 M ±
TOTALS	\$119 M	\$44 M	\$75 M ±

Source: Keyser Marston Associates, Inc.

July 1992

SECTION VI. CONCLUSIONS: ALLOCATION OF COSTS AND REVENUES

The purpose of this technical document is to identify the potential sources of financing for the infrastructure, enhancements and service costs for the proposed developments described in the West Sacramento Triangle Specific Plan.

To summarize, the potential financing mechanisms most commonly used include: (1) Federal, State or Local Funds; (2) Local Pay-As-You-Go; (3) Local Pay-As-You-Use; and (4) Redevelopment Agency's tax increment funds. Table 12 presents a brief overview of the various financing sources: the estimate amount available under each if it can be determined, the advantages and disadvantages of each and the probability of obtaining the funds for project use. As shown, the most probable financing sources are General Funds, Frozen Property Tax Base, Mello-Roos CFD/Assessment Districts, and Redevelopment Agency Funds.

Table 13 illustrates a potential allocation of the estimated costs and revenues/financing capacity based on our preliminary analysis. The aggregate project costs, including infrastructure and enhancements, fees, and operation and maintenance, are estimated to be approximately \$101 million for Program A and \$110 million for Program B. The aggregate revenues/financing capacity potentially available for the project totals in the range of \$166 million to \$181 million for Program A and \$116 million to \$131 million for Program B.

In aggregate, the amount of estimated "potential revenue/financial capacity" exceeds the estimated costs (capital/infrastructure and operation/maintenance). However, the allocation of each revenue/financial capacity source to capital/infrastructure versus operation/maintenance costs will need to be specifically structured based on the timing, the type, and the level of development that will actually occur. For example, Redevelopment Funds (which is the largest component of the potential revenue/financial capacity) cannot be used directly for ongoing operation and maintenance costs, but, conceivably, it can be structured to offset the cost of other financing mechanisms, thus indirectly reducing the costs of the project.

<u>Types of Potential Financing</u>	<u>Estimated Amount Available</u>	<u>Advantages/ Disadvantages</u>	<u>Probability for Project</u>
D. Redevelopment Agency			
– Tax Increment Revenues & Tax Allocation Bonds	\$75 to \$150 M	Significant amount available for project (covers 100% infrastructure and enhancement costs.) Affordable housing must be included if 20% setasides to be included.	Moderate to High

TABLE 12
ANALYSIS OF FINANCING SOURCES
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

<u>Types of Potential Financing</u>	<u>Estimated Amount Available</u>	<u>Advantages/Disadvantages</u>	<u>Probability for Project</u>
A. State, Federal or Local Funds			
– Caltrans (DOT)	\$200 M ± for U.S. ('93) ¹	Extensive review process; Caltrans must also agree to reclassification of SR-275.	Low
– Wildlife Conservation Board	\$750,000/Yr.	Very competitive allocation process; Covers 10% of estimated costs.	Low
– General Fund Revenues	\$20 M ± (Maximum)	Based on revenue from project; thus, direct cost benefit/relationship.	High
B. Local Pay As You Go			
– Development Impact Fees	\$23 M	May need to be negotiated. Typically used to mitigate project impacts rather than develop infrastructure.	Moderate
– Enterprise Revenue Funds	Unable to Determine		Low
– Capital Improvement Funds	Not Available		Low
C. Local Pay As You Use			
– Mello Ross CFP/Special Assessment District	\$15 to \$20 M	Mello Roos would need voters or land owners approval. Special taxes/assessments require administration. Current market cautious; otherwise, excellent cheap money source.	High
– General Obligation Bonds	Unable to Determine	Affordable local control but unlikely to gain support over other projects in West Sacramento.	Low
– Revenue Bonds	Cannot Determine		Low

¹ Depends on specific program and amount not already committed, i.e., to projects in the State's 5-Year Transportation Plan.

TABLE 13
ALLOCATION OF COSTS AND REVENUES/FINANCING CAPACITY
WEST SACRAMENTO TRIANGLE SPECIFIC PLAN

	<u>Program A</u>	<u>Program B</u>
<i>ESTIMATED COSTS</i>		
Infrastructure & Enhancements (Low Range)	\$51.0 M	\$47.0 M
Fees	\$22.6 M	\$24.0 M
Operation & Maintenance		
– General Fund Operations (Net)	\$15.0 M	\$26.0 M
– Other (Buffer Areas & Plaza)	<u>\$12.5 M</u>	<u>\$12.5 M</u>
	\$101.1 M	\$109.5 M
<i>POTENTIAL REVENUES/FINANCIAL CAPACITY</i>		
Mello Roos/Special Assessment District ⁽¹⁾	\$20 - \$35 M	\$15 - \$30 M
Frozen Property Tax Base	\$3 M	\$3 M
Redevelopment Agency	\$110 M	\$74 M
Base (Excluding 20% Setaside)	\$32 M	\$22 M
20% Set Aside	<u>\$1 M</u>	<u>\$2 M</u>
Other (Road & Transit Funds)(Net)	\$166 - \$181 M	\$116 - \$131 M

⁽¹⁾Include Landscaping and Street Lighting Assessment District Funds.

Source: Keyser Marston Associates, Inc.

August 1992

INITIAL AREA WIDE ASSESSMENT DISTRICT

D

Initial Area Wide Assessment District

INITIAL AREA-WIDE ASSESSMENT DISTRICT

Description:

The purpose of an initial area-wide assessment district is to finance a set of highly visible environmental improvements. These improvements will be designed to demonstrate that the Triangle has begun its transition from industrial uses to the urban uses described in the Specific Plan. The improvements will focus attention on the Triangle as an area which is truly ready for development.

The objective is to effect as dramatic an improvement in the appearance of the Triangle as possible within a limited budget. Most of the improvements should be permanent; eventually serving future development in the Triangle.

Landscape improvements are among the most cost-effective means of achieving these objectives. Replacing or screening obsolescent industrial structures with trees and lawns can have a dramatic effect on the environment and on those who witness its transformation.

For those traveling through the Triangle, street improvements are perhaps most convincing indicators of favorable change. They can demonstrate a commitment to quality development and provide a ready-made edge for development of adjoining lots. Of particular importance in this respect is the first impression made on those arriving in the Triangle via the Business 80 off-ramp.

Estimated Costs:

For the purposes of developing an order-of-magnitude budget for the initial area-wide assessment district, project alternatives were developed at a conceptual level. Actual improvements would be designed following formation of the proposed initial assessment district. The concepts developed suggest a total cost in the range of \$4 to \$5 million; amounting on average to approximately 60¢ to 75¢ per square foot of privately owned property in the Triangle today.

Three types of complementary improvements have been proposed: street improvements, waterfront landscaping, screening and buffering plantings.

Street improvements would include South Pier, with the associated realignment of the B-80 ramp touch-down, Fifth Street between the B-80 on- and off-ramps, River Road between South Pier and just north of North Pier, and a short section of North Pier. These improvements would accommodate existing through traffic and circulation demands in the area, would provide two principal points of access to the waterfront, and would provide permanent street access to those areas of the Triangle in which utilities and services necessary for development are substantially in place.

Waterfront improvements would include establishment of a promenade along the top of the bank between B-80 and Tower Bridge. It would also include substantial plantings along the river bank to establish its recreational and habitat functions, but more importantly in this context, to visibly improve the entire waterfront as viewed from the Pioneer Bridge, Tower Bridge and vantage points on the east side of the Sacramento River.

The waterfront is among the Triangle's most compelling assets and can be regarded as a primary reason for development investment being attracted to the area. Consequently, its visible improvement merits a high priority in the program of interim improvements. Access to the Sacramento River from the west is equally important in demonstrating the development virtues of the area; thus the complementary street improvements described above.

The third set of improvements comprises plantings elsewhere in the Triangle. Some of these may take the form of nurseries of young trees, used initially to define the future block pattern of the Core and to screen existing industrial operations from otherwise improved areas. Eventually, maturing trees from such nursery plots would be transplanted to permanent locations as street trees. In other areas, adjacent to the freeway for example, permanent screening will be required. These screens could be established now with young trees and shrubs so that when nearby parcels are developed, the screens will have achieved some maturity.

There are other areas in the Triangle in which early planting of trees could pay dividends through hastening the establishment of mature landscape. Some of these would depend on early dedication of streets, parks and open spaces identified in the Specific Plan. If such dedications were made during formation of the proposed initial area-wide improvements assessment district, then important features such as Garden and the Park Blocks could begin to take shape.

As stated above, the precise nature, quality and location of improvements would be determined at the time of formation of the area-wide assessment district. The purpose of this summary is to demonstrate the type of improvements that may be contemplated and the effect they could have on demonstrating the readiness of the Triangle to accept development investment immediately.

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